

City Council Utility Committee

Meeting Agenda

Friday, March 9, 2018

COUNCIL CHAMBERS, CITY HALL, 2ND FLOOR

2:30-4:00 pm

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of Minutes from January 29, 2018
- V. Public Comments on Items Not on the Agenda
- VI. Agenda Items and Date for Next Meeting
 - Advance Agenda & Meeting Dates
- VII. Utility Policies
- VIII. Solid Waste RFP
- IX. Preliminary CIP Budget Request (2019-2024)
- X. Update – Water Resources
 - Water Supply Update
 - Windy Gap Firming Project Update (dates provided by NCWCD)
 - i. Water Rights Decree
 - ii. Consulting Services
 - iii. Financing
- XI. Update – CIP Projects
- XII. Upcoming Projects and Council Action
 - Greeley Windy Gap Transfer – April
 - Windy Gap Consulting Services – March/April
 - Utility Rate Increase – March & April
 - SCWTP HVAC Upgrades – 2nd QTR
 - Louisville Pipeline Control Vault Construction – 3rd QTR
 - Water Tanks Maintenance – 3rd QTR

- SCWTP Tube Settlers Replacement Construction – 3rd QTR
- Windy Gap Financing – Summer/Fall

XIII. Adjourn 4:00 pm

Attachments: 10-27-17 Draft Minutes

Advance Agenda

Utility Policies

Solid Waste RFPs

State Drought Report - February

Windy Gap February Presentation

2019-2024 CIPs

City Council Utility Committee Draft - Meeting Minutes

Friday, January 19, 2018

CITY COUNCIL CHAMBERS, CITY HALL, 2nd FLOOR

I. **Call to Order** – Jay Keany called the meeting to order at 8:15 am.

II. **Roll Call** was taken and the following members were present:

City Council: Jay Keany and Robert Muckle

Absent: Ashley Stolzmann

Staff Present: Heather Balser, Kurt Kowar, Kevin Watson, Cory Peterson, and Graham Clark

Public: Mark Persichetti

III. **Approval of Agenda:** Agenda approved as written.

IV. **Approval of the Minutes:** The meeting minutes from October 27th were approved as written.

V. **PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA:**

None

VI. **Update – Water Resources**

Mr. Peterson provided a brief overview of the current conditions of water supplies as being below average with low snow pack measurements. The current Water Supply Index (WSI) is 0.86 and shows an indication towards a stage 1 drought level that would trigger a call for voluntary restrictions. If these low trends continue into the snowier months of March and April, the next Utility Committee meeting may require action to initiate the drought restriction process for Council approval.

Mr. Peterson indicated that the Windy Gap Project is progressing through design. The recent lawsuit is also working through the legal process with more activity anticipated in February.

Mr. Peterson presented an update on finalizing the addition of consulting services for the Windy Gap project. The contract is expected to go to Council in February or March.

Mr. Peterson reviewed the early financing options available to the City for the Windy Gap Project. The two options currently considered are: Pooled Financing (Option A) - where all participant would join together for a single loan on the project or Individual Financing (Option B) – where the City would secure a loan independent of the other project participants. Each option also includes a subset of 1) providing a cash down payment from fund reserves or 2) financing the entire cost. All options are highly sensitive to the projected interest rate. At this preliminary stage, a cash down payment (Option 1) appears to be the best option with slight advantage towards individual financing (Option B) based on assumed rates. Staff, First Southwest and Northern Water will continue to evaluate these options and refine the cost implication as the project cost, interest rates, terms and bond requirements become more distinct. Lastly, the financing options will also be presented at future Finance Committee meetings for their review and discussion.

VII. Update – CIP Projects

Mr. Peterson discussed upcoming projects and reviewed the Quarterly Report and the CIP summary. Emphasis was given to the SCWTP Pump Station that is under construction and estimated to wrap up in July, with High Zone pumps being operational in April. The multiple projects of HVAC, filter media, plate settlers and disinfection modifications at HBWTP are also underway. The last update was in regards to the Plant Improvements project that covers the 102 maintenance items. All 102 items have been awarded and are either under construction or have been completed.

Mr. Kowar outlined that staff are starting the 2019/2020 budget process which will include a review of the long term CIP Plan.

VIII. 2018 Utility Rates

Mr. Kowar highlighted the overall rate process and the final rate recommendation presentation that is ready for Council in March. A request from the Utility Committee was made to evaluate the possibility of utilizing financing options to lessen rate impacts from larger future CIPs. Staff will complete this process in conjunction with the 2019/2020 budget process. The Utility Committee voted in favor of the 2018 utility rates and recommends that the presentation be made to Council for approval with the Utility Committee support.

IX. Water Treatment Process Update

Mr. Kowar briefly summarized the various chemicals used in the water treatment process and the impacts to the operational budget. It is anticipated that chemical costs will fluctuate with some changes in suppliers/vendors, the modification to the disinfection equipment at both plants and the reinstitution of flow paced chemical addition.

X. Solid Waste Contractor Licensing

Mr. Persichetti provide an update on the Louisville's Sustainability Advisory Board monitoring of the requirements that City of Boulder and Boulder County have for waste haulers that includes a new software tracking system (ReTRAC). The Utility Committee asked staff to prepare an ordinance to effect this requirement within Louisville.

XI. Sustainability Utility – Agenda Discussion

Mr. Kowar outlined the current renewable power portfolio for the City. Currently, there is not a long term replacement program for renewable energies. The broader topic will be added as a more formal discussion at a future meeting.

XII. Upcoming Projects and Council Action

Mr. Peterson provide a brief update on upcoming Council approvals related to Windy Gap Transfer, Windy Gap Consulting, Utility Rates, 3rd Amendment to 5th Interim Agreement, SCWTP HVAC, Louisville Pipeline Control Vault, Water Tank Maintenance, SCWTP Tube Settlers Replacement and Windy Gap Financing.

XIII. Agenda Items and Date for Next Meeting

Mr. Kowar discussed the draft bi-monthly work plan.

XIV. Adjourn

The meeting was adjourned at 9:30 am by Mr. Keany and seconded by Mr. Muckle.

Utility Committee Advanced Agenda	
DATE	ISSUE
2018	
5/11	Windy Gap 2019-2024 100% Utility Proposed CIP Trash/Recycle/Composting – 2 nd RFP Review Preliminary Risk Analysis Water Supply Update (Drought Strategy if needed) 1 st Quarter Financial Review (2018) CIP Update Water Engineering Update
7/13	Preliminary 2019 Rates Trash/Recycle/Composting – 3 rd RFP Review (If Needed) Windy Gap 2 nd Quarter Financial Review (2018) CIP Update
9/14	Draft 2019 Rates Windy Gap CIP Update
11/9	Draft 2019 Rates 3 rd Quarter Financial Review (2018) Windy Gap CIP Update
2019	
1/11	Final 2019 Rates 4 th Quarter Financial Review (2018) Windy Gap CIP Update
3/8	Water Supply Update (Begin Drought Strategy discussion if needed) Windy Gap CIP Update
5/10	Water Supply Update (Drought Strategy if needed) 1 st Quarter Financial Review (2019) Windy Gap CIP Update Water Engineering Update

To: Utility Committee
CC: Heather Balser, City Manager
From: Kurt Kowar, P.E., Director of Public Works and Utilities
Date: 3/1/18
Re: Initial Utility Policy Framework Discussion

The City develops policies over time related to various areas within the City. Areas that do not operate by Ordinance but have many policies are the Utility Funds.

Staff recognizes that it is challenging to understand what policies exist, when they were created, and the source or background of the policy.

Staff also recognizes the Utility Committee would like to engage in policy discussion for preparation of any 2019/2020 as well as longer term rate impacts.

An idea for a framework is provided in this packet to illustrate and start a conversation around how best to track and discuss policies moving forward. This effort will organize context of conversations, provide future reference for policy makers, and give clarity to discussions.

Due to time constraints of overlapping packets and internal deadlines the framework document is being provided in an as-is very early form.

Staff would like feedback from Utility Committee regarding:

- Would this be useful? If so:
- What information needs added?
- What information needs removed?
- How would you like the format modified?



1 | Rate Increase Timing Strategy - Just in Time versus Smoothing

Date	Recommendation	Recommending Body	Source	Status
7/30/14	Smoothing	Utility Task Force, Raftelis	2014 Utility Rate Study	Open
	Smoothing	City Council	Vote	Closed
3/9/18		Utility Committee		

2 | Water Rate Structure - Status Quo, Fixed Blocks, Individualized Blocks, Water Budget

Date	Recommendation	Recommending Body	Source	Status
7/30/14	Water Budget	Utility Task Force	2014 Utility Rate Study	Open
	Status Quo	City Council		Closed
3/9/18		Utility Committee		

3 | Wastewater Rate Structure - Status Quo, Uniform Volume Rate

Date	Recommendation	Recommending Body	Source	Status
7/30/14	Uniform Volume Rate	Utility Task Force	2014 Utility Rate Study	Open
	Uniform Volume Rate	City Council		Closed
3/9/18		Utility Committee		

4 | Stormwater Rate Structure - Status Quo, Impervious Area

Date	Recommendation	Recommending Body	Source	Status
7/30/14	Status Quo	Utility Task Force	2014 Utility Rate Study	Open
	Status Quo	City Council		Closed
3/9/18		Utility Committee		Open

5 | Water System Development Charges - Calculated

Date	Recommendation	Recommending Body	Source	Status
7/30/14	Status Quo	Utility Task Force	2014 Utility Rate Study	Open
	Status Quo	City Council		Closed
3/9/18		Utility Committee		Open

6 | Wastewater System Development Charges - Calculated

Date	Recommendation	Recommending Body	Source	Status
7/30/14	Status Quo	Utility Task Force	2014 Utility Rate Study	Open
	Status Quo	City Council		Closed
3/9/18		Utility Committee		

7 | Stormwater System Development Charges - Calculated

Date	Recommendation	Recommending Body	Source	Status
7/30/14	Future Staff Task	Utility Task Force	2014 Utility Rate Study	Open
		City Council		Closed
3/9/18		Utility Committee		

8 | Debt Coverage Policy - Comingling Optimization vs Stand Alone Optimization

Date	Recommendation	Recommending Body	Source	Status
3/9/18		Utility Committee		

9 | Cash Reserves Policy - Amount in Fund Reserves

Date	Recommendation	Recommending Body	Source	Status
3/9/18		Utility Committee		

10 | Year to Year Water Conservation - How to use Conserved Water

Date	Recommendation	Recommending Body	Source	Status
3/9/18		Utility Committee		

11 | Water Rights Within Tap Fees - City Acquisition vs Developer Provided

Date	Recommendation	Recommending Body	Source	Status
3/9/18		Utility Committee		

Option 1 - Finance

Finance large projects, adjust rates to cover future payments

WWTP Example

\$38M cost in 50yrs, Finance at time of construction, no increases from year-0 to year-50, year-51 increases

Option 2 - Save

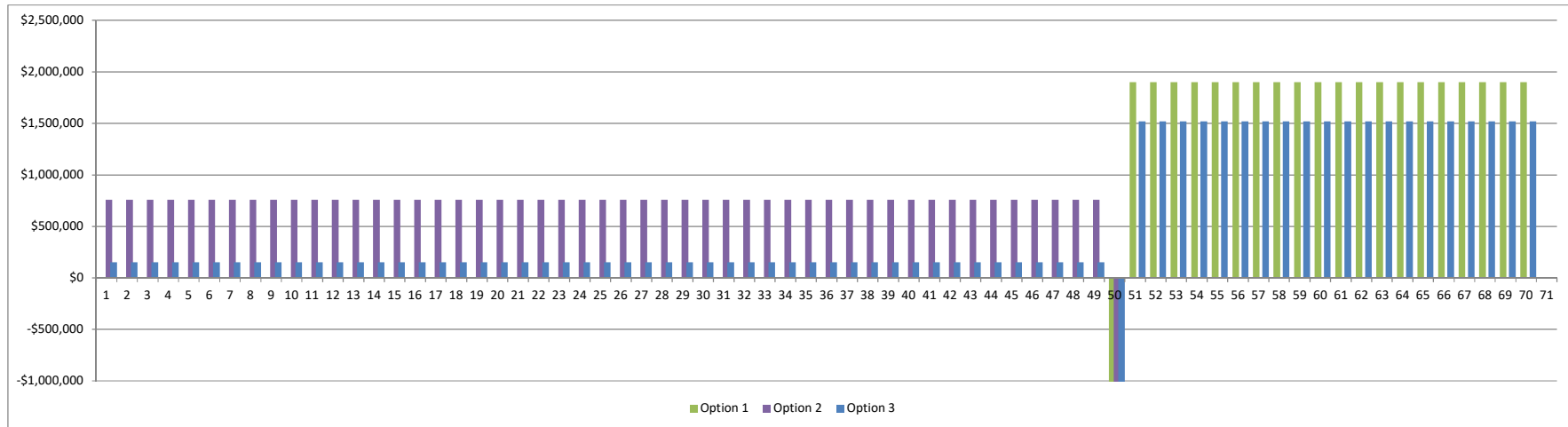
Develop Capital Cost Recovery Fund and save full replacement values and timelines

\$38M cost in 50yrs, make annual saving payments, increases from year-0 to year-10 (depending desired spread), rates set to replace the plant every 50yrs from now on

Option 3 - Hybrid

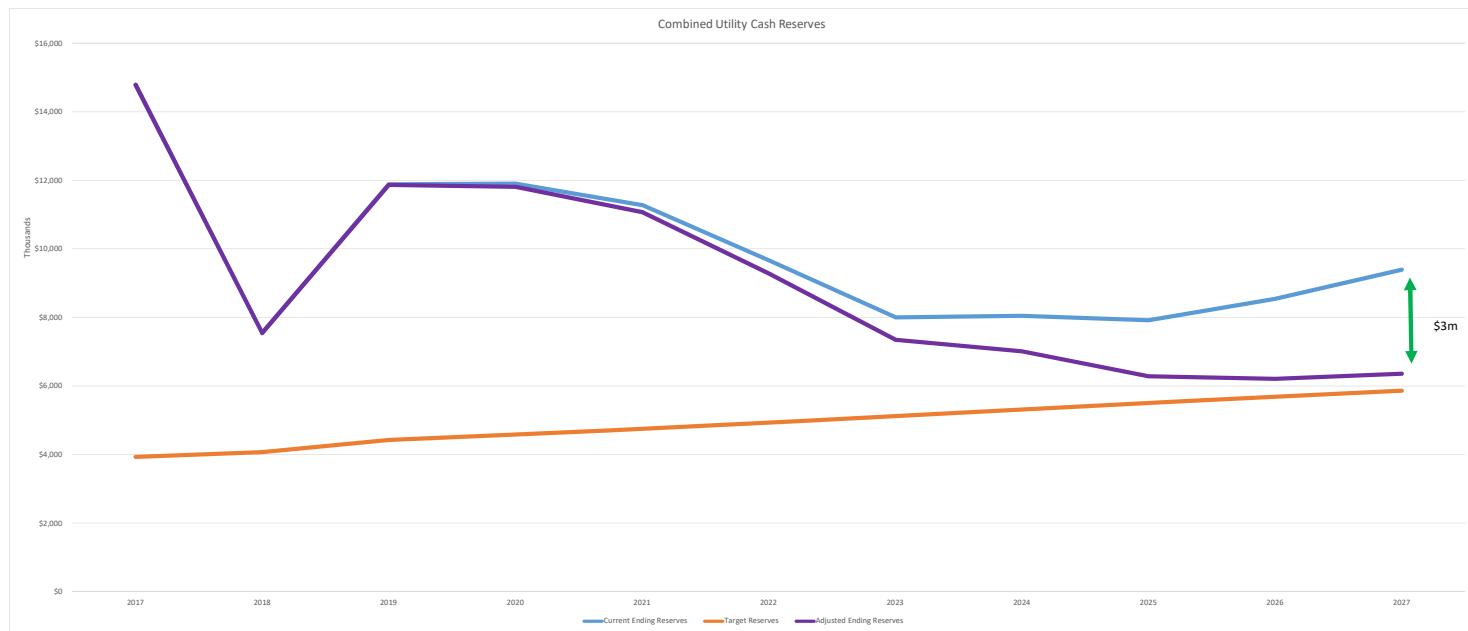
Use a percentage of the full replacement values but still Finance for large projects.

\$38M cost in 50yrs, make 20% annual saving payments, increases from year-0 to year-10 (depending desired spread), possible year 51+ increase to cover financing



	2018			2019			2020			2021			2022			2023			2024		
Recommended Rates - "Smoothing" Revenue Increases (all funds self-sufficient)	Rate	Avg	Summer	Rate	Avg	Summer	Rate	Avg	Summer	Rate	Avg	Summer	Rate	Avg	Summer	Rate	Avg	Summer	Rate	Avg	Summer
Water	3%	\$ 43.65	\$ 91.19	3%	\$ 44.99	\$ 94.01	3%	\$ 46.33	\$ 96.83	3%	\$ 47.71	\$ 99.69	3%	\$ 49.14	\$ 102.68	3%	\$ 50.64	\$ 105.83	3%	\$ 50.64	\$ 105.83
Wastewater	7%	\$ 28.53	\$ 28.53	7%	\$ 30.50	\$ 30.50	7%	\$ 32.66	\$ 32.66	7%	\$ 34.93	\$ 34.93	7%	\$ 37.41	\$ 37.41	7%	\$ 40.00	\$ 40.00	7%	\$ 40.00	\$ 40.00
Stormwater	7%	\$ 4.71	\$ 4.71	7%	\$ 5.04	\$ 5.04	4%	\$ 5.24	\$ 5.24	4%	\$ 5.45	\$ 5.45	4%	\$ 5.66	\$ 5.66	4%	\$ 5.88	\$ 5.88	4%	\$ 5.88	\$ 5.88
		\$ 76.89	\$ 124.43		\$ 80.53	\$ 129.55		\$ 84.23	\$ 134.73		\$ 88.09	\$ 140.07		\$ 92.21	\$ 145.75		\$ 96.52	\$ 151.71		\$ 96.52	\$ 151.71

	2018			2019			2020			2021			2022			2023			2024		
Adjusted Rates - "Smoothing" Revenue Increases (combined cash policy)	Rate	Avg	Summer	Rate	Avg	Summer	Rate	Avg	Summer	Rate	Avg	Summer	Rate	Avg	Summer	Rate	Avg	Summer	Rate	Avg	Summer
Water	3%	\$ 43.65	\$ 91.19	3%	\$ 44.99	\$ 94.01	3%	\$ 46.33	\$ 96.83	3%	\$ 47.71	\$ 99.69	3%	\$ 49.14	\$ 102.68	3%	\$ 50.64	\$ 105.83	3%	\$ 50.64	\$ 105.83
Wastewater	7%	\$ 28.53	\$ 28.53	6%	\$ 30.25	\$ 30.25	6%	\$ 32.03	\$ 32.03	6%	\$ 33.98	\$ 33.98	6%	\$ 36.01	\$ 36.01	5%	\$ 37.79	\$ 37.79	5%	\$ 37.79	\$ 37.79
Stormwater	7%	\$ 4.71	\$ 4.71	7%	\$ 5.04	\$ 5.04	3%	\$ 5.19	\$ 5.19	3%	\$ 5.35	\$ 5.35	3%	\$ 5.51	\$ 5.51	3%	\$ 5.67	\$ 5.67	3%	\$ 5.67	\$ 5.67
		\$ 76.89	\$ 124.43		\$ 80.28	\$ 129.30		\$ 83.55	\$ 134.05		\$ 87.04	\$ 139.02		\$ 90.66	\$ 144.20		\$ 94.10	\$ 149.29		\$ 94.10	\$ 149.29



Utility Committee RFP Orientation

City of Louisville, Colorado

March 9, 2018

“Enable residents to dispose of their solid waste in a convenient, environmentally responsible, cost effective manner.”

–2017/2018 Louisville Solid Waste Subprogram Objective

RFP Tasks

1. Review Selection Criteria.
2. Identify Selection Criteria to Modify.
3. Approve Selection Criteria or Identify Issues to Finalize in Utility Committee Discussion #2 for Q2.
4. Review highlighted RFP to orient to areas to specify.
5. Discuss and identify areas for possible Synergy with HOA's. Q2 HOA discussions.
6. Discuss major RFP options and work towards clarity for final draft RFP language.
7. Identify areas of additional concern or research to followup for Utility Committee Discussion #2. Goal of discussion #2 is to finalize RFP Language for City Council review and discussion for Q3.

2014 RFP Criteria

Points	100	5	5	5	5	5	5	130
Percent of Overall Score	76.9%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	100%
Contractor	Pricing	Services	RFP	References	Schedule	Equipment	Interview	Totals
Waste Connections	100.0	3.67	3	4.0	3	3.5	3.5	120.7
Republic Services	98.5	3.78	3.5	4.5	3.5	4	4.5	122.3
Western Disposal	90.1	3.78	4	5	5	4.5	4	116.4

	Avg Rate	Avg Price Score	5 yr Cost	5 yr Score
Current	\$18.95			
Waste Connections	\$20.82	100.00	\$581,335	100.00
Republic	\$21.06	98.86	\$655,061	88.75
Western	\$22.96	90.68	\$1,245,673	46.67

What Affects Pricing?

Day of Week (Bid Alternate)

Monday

Tuesday

Wednesday

Thursday

Friday

One Day
More Trucks
More Cost



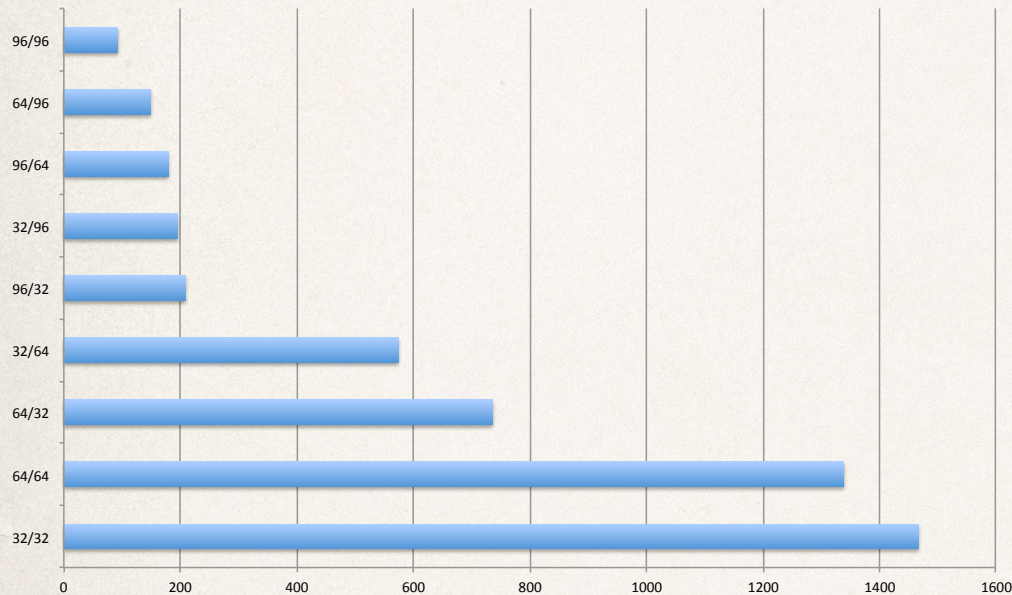
Mon-Fri
Less Trucks
Less Cost



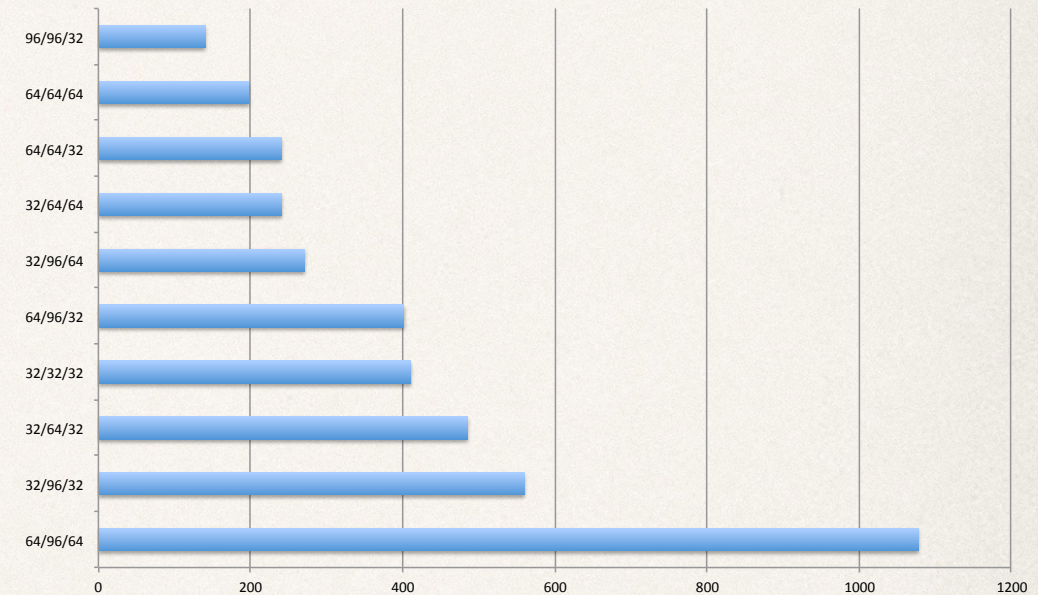
What Affects Pricing?

Cart Mix

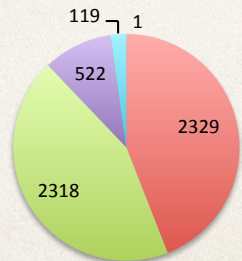
**Trash/Compost Combinations
(# of Accounts)**



**Trash/Recycle/Compost Combinations
(# of Accounts)**

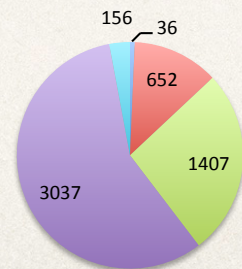


Trash Cart Breakdown



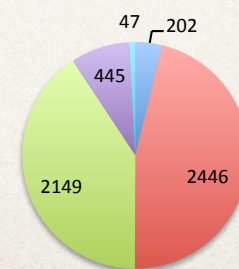
0 32 64 96 >96

Recycle Cart Breakdown



0 32 64 96 >96

Compost Cart Breakdown



0 32 64 96 >96

What Affects Pricing?

Incremental Pricing/Inclusions



Other - Miscellaneous

- ❖ **O1 - Reusable Bag Handout Day** vs. Ban Plastic Bags or Bag Fee
- ❖ O2 - Ban Cardboard in Trash (Recycle Only)
- ❖ O3 - Special Events (RFP Related)
 - ❖ O3.1 - Require Recycle, Composting at Events by Ordinance
 - ❖ O3.2 - Charge Citywide vs. Single Residential for City Event Costs (Similar to Hazardous Waste, RFP Line Item)

Other Considerations

- ❖ Free Large Item Pickup Program (Price List)
- ❖ Emerald Ash Borer Quarantine (Bid Alternate)
- ❖ Street Faire Free Bins and Pickup (Priced)
- ❖ Customer Service
- ❖ Ongoing Communications Plans
- ❖ Other topics not identified.

Request for Proposals Residential Solid Waste Collection City of Louisville, Colorado

1. Introduction

The City of Louisville (City) is soliciting proposals from qualified contractors for the collection of single-family residential trash (landfill waste), single stream recyclables and compostables. Household participation in the city-wide waste collection program is mandatory with a few exceptions. The one exception to this is those homeowner associations (HOAs) that currently offer their residents curbside waste collection services. Those HOAs may receive an “exemption from participation” and their residents would thus be exempt from the City collection fee. Residents may also opt out of the service, with the City still collecting fees. In this case the contractor will not be compensated for these accounts. Collection fees will be assessed through the City's utility billing system based on account information provided by the contractor, except for those selecting to “opt-out” of service.

The City may award a contract as a result of this RFP process. A start date for collection services is to be set by mutual agreement between the City and the contractor, and is anticipated to be **August 1, 2019**. Questions may be referred to, and photocopies of this proposal may be obtained from Kurt Kowar, Director of Public Works. Proposals shall be sent to the City of Louisville, Department of Public Works, 749 Main Street, Louisville, CO 80027 in a sealed envelope marked “City of Louisville Waste Collection Proposal” and shall be received by 4:00 p.m. on **Monday, October 01, 2018**.

2. General Information

2.1 Demographics

The City has an estimated population of 19,200 people residing in an approximately 7.8 square mile area.

2013 solid waste collection data (future numbers subject to change):

- Number of households receiving service: 5200
- Annual total landfill tonnage: 3750
- Annual total Single Stream Recyclables tonnage: 2000
- Annual total Compostables tonnage: 1100
- Autumn leaf and yard waste collection (cubic yards): 2400

Commercial and industrial complexes are not part of this request for proposals.

2.2 City Goals and Objectives

The City intends to provide curbside pick-up for trash, single stream recyclables and compostables for all single-family residences within the City, and to bill this service as part of the monthly utility bill. The City believes in maintaining a high level commitment to quality customer service. In procuring the services described in this RFP, the City seeks to provide high quality public services that are convenient for the residents. In addition, the City seeks to provide

services that help citizens decrease the amount of solid waste sent to landfills, increase waste reduction and recycling practices, reduce the individual household cost to dispose of waste and reduce the volume, noise and emissions of heavy truck traffic on the City's residential streets.

2.3 Reservation of Rights

This request for proposals is a solicitation and not an offer to contract. The City reserves the right to reject any and all proposals. The City retains the right to abandon or terminate the RFP process at its discretion at any time. The City further reserves the right to issue clarifications and other directives concerning this request for proposals; to require clarification or further information with respect to any proposal, and to determine the final terms of any contract. Interviews will be required by the City with selected contractors to clarify contractor proposals and to allow for contract negotiations. Acceptance of any proposal will be based upon factors including, but not limited to: costs for service; completeness of proposal; thoroughness of information provided; customer service standards; value added service; and prior successful contractor performance with waste collection systems similar to a scale described herein.

3. Basis of Proposal

Proposals submitted will be for the contractor to provide non-exclusive collection services for trash, recyclables, and compostable within the City limits. Proposals must include, by paragraph numbers, basic information addressing the following:

3.1 Unit-Based Pricing

The contractor shall provide a proposal indicating charges for weekly trash removal and removal of recyclables and compostables no less than bi-weekly. The price structure shall be unit-based to encourage customers' reduction in trash removal, while maximizing the amount of recyclables and compostables processed. The proposal should include the combined cost for removal of trash, recycled and compostable material. Unit base pricing information must include the cost of providing a single 96, 64 and 32 gallon collection container plus the cost of a second collection container if the homeowner desires to have and pay for additional collection capacity. Such pricing shall include all costs for trash, recycling and composting. Recycle and compostable containers shall be available in sizes of 96, 64, and 32 gallons.

3.1.1 Unit-Based Pricing Base Bid

Contractor shall provide Base Bid Unit Pricing that assumes:

- 80% increment for each 32 gallon increase in trash bin size.
- Any size recycling bin is included for free. Any recycling cost should be incorporated into the trash bin size costing.
- 80% increment for each 32 gallon increase in compost bin size.

3.1.2 Unit-Based Pricing Alternate Bid Item #1

Contractor shall provide Base Bid Unit Pricing that assumes:

- 80% increment for each 32 gallon increase in trash bin size.

- Any size recycling bin is included for free. Any recycling cost should be incorporated into the trash bin size costing.
- Any size composting bin is included for free. Any composting cost should be incorporated into the trash bin size costing.

3.2 Additional and Alternate Services

The contractor may provide a list of additional services that may be provided, together with a price list (if applicable) for such services. These services may include but are not limited to:

- Bulky item pick-up (excludes Freon containing appliances)
- Front door pick-up for physically impaired residents
- Pricing for the collection of trash, recyclables and compostables from City Facilities
- Collection of trash, recyclables and compostables for a specified number of special events per year as designated by the City
- Alternate pricing for compost pickup weekly with trash and recyclable pickup every other week
- Alternate pricing for the City of Louisville to provide all trash, recycling and compost carts. All cart related services (exchange, repair, storage, etc.), excluding parts, would be the responsibility of the Contractor.
- Alternate pricing for providing all services with Natural Gas powered trucks.
- Alternate pricing for the Contractor to provide centrally located 30 or 40 cubic yard roll off containers for the autumn collection of leaves and yard waste. This material would be integrated with household compostable materials

3.3 Recyclable and Compostable Material

Recyclable material shall be delivered to the Boulder County Recycling Center (BCRC), or other facilities that may be designated by City Council. Recyclables shall be collected in material streams acceptable to the BCRC, commingled according to what is mutually acceptable to the City, the contractor and the BCRC. The contractor shall base his proposal on every other week collection of recyclables. The recyclables will be composed of cardboard, newspaper, glass bottles, plastic containers and similar items generated by typical single family homes. The recyclable materials will remain the property of the City. Consequently, all revenues received from or costs due to the Boulder County Recycling Center for the City's recyclable materials, shall be the City's. By household, recyclables are to be collected on the same day of the week as trash.

Compostable material shall be delivered and processed in a facility designated and approved by the City. Compostables shall be collected in material streams acceptable for composting according to what is mutually acceptable to the City, the contractor and the compostable recycling facility. The contractor shall base their proposal on every other week collection of compostables. The compostables will consist of yard waste, food scraps, paper towels and similar items generated by typical single family homes. The compostable materials shall become the property of the Contractor with the following limitation. The contractor will make a minimum of one-half cubic yard of finished compost available to each household at no cost. The Contractor may either distribute the finished compost from its own site or deliver the bulk

material to a City site where City staff will oversee its distribution. By household, compostables are to be collected on the same day of the week as trash.

Proposal will describe programs and incentives that Contactor has implemented or is willing to implement for the City of Louisville to increase the diversion rates above historical numbers.

3.4 Collection Carts

TRASH/RECYCLING/COMPOST carts – Contractor will provide all carts. Contractor shall provide information to the City about what types and sizes of carts will be provided to the customers, how requests for cart repair and replacement will be handled and how changes in cart size will be accommodated.

Current cart mix (mix is subject to change based on time of year and customer preferences):

Type/cart size	96	64	32
Trash	12%	48%	40%
Recyclables	60%	26%	14%
Compostables	9%	46%	45%

Old town Louisville has many alleys, and the contractor should be prepared for the special needs and accommodations that will be required for alley collection. The proposal shall include a statement of willingness by the contractor to provide alley service, and a description of special accommodations that will be made to accomplish this.

3.5 Hours and Days of Operation

- All collections shall be limited to the hours between 7:00 a.m. and 7:00 p.m., Monday through Friday.
- Saturday and Sunday collections are not permitted unless expressly authorized by the Director of Public Works or as permitted in Section 3.7 below.
- The City will work with the selected contractor to develop a collection schedule for all City areas.
- The City prefers a schedule that provides for collection services on one single day of the week. Traditionally, the City has received trash service on Thursdays. Recyclables and compostables shall be collected on the same day that trash collection is done.
- The proposal should include a proposed schedule that meets this framework and that accommodates changes due to inclement weather and holidays.

3.6 Holiday Schedules

Holidays shall be New Year's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving Day, and Christmas Day. If the holiday falls on a weekday, then the Saturday following the holiday may be authorized as a catch-up collection day.

3.7 Trucks and Equipment

The contractor shall provide information about the size and types of trucks and automation that it proposes to use, as well as other equipment necessary for the job such as communication, RFID devices, GPS systems and others. [Fuel type will be specified, with Natural Gas powered trucks being preferred over diesel.](#) Performance standards should be described as they relate to the

service proposed. The City reserves the right to visit the facilities of all interested contractors and observe the equipment used and the operational methods. These site visits will be coordinated with the appropriate representative(s) from each of the interested contractors. Any contract entered into by the City may contain provisions regarding equipment weight, leak proofing, and similar performance standards.

3.8 Use of Subcontractors

The contractor shall indicate in the proposal whether or not it intends to use subcontractors for any part of the service being provided, together with a list of all said subcontractors. Subcontractors may not be used for more than 20% of the work.

3.9 Promotion and Education

The contractor will work with the City to provide service-oriented information to customers and for developing and executing public education to encourage waste reduction and diversion. Specifically, 30 days prior to the commencement of service the contractor shall provide an 8-1/2" x 11" two-color insert to be included in each customer's monthly bill (approximately 5,000-6,000 inserts required). This insert will inform City residents of the specifics of the trash, recyclables and compostables collection program, including a collection schedule, a listing of what materials can go into the each waste stream, instructions on the proper handling of the collection carts, instructions on what customers are to do with trash that does not fit into the collection carts, etc. At the same time, contractor shall provide a complete list of fees and services offered to each customer. The contents of the insert will be approved by the City. Contractor should also provide a cost to allow the City the option of requiring that the inserts will be directly mailed to all customers by the contractor. The contractor shall provide another such insert anytime there is a rate increase or change in the collection program.

In addition to the above educational information, the Contractor will work with City Staff to provide and share educational information that will further improve the efficiency and waste diversion performance of the collection program.

3.10 Public Informational Meetings

Upon selection but prior to implementation of the trash collections service, the selected contractor will be required to participate with City staff and Council in one or more public meetings which will describe the proposed service to City residents/customers.

3.11 Customer Service

The contractor shall be responsible for providing all customer service functions including informing customers of current services, handling customer requests, and resolving customer complaints. The proposal shall include information addressing the contractor's proposals for methods and a time frame for communicating with the customers and responding to their questions and complaints. The contractor shall also include, with the proposal, a copy of their customer service standards. The contractor should anticipate developing a web site/page exclusively for information pertaining to operations in the City.

3.12 Proposed Term of Contract

The contractor shall provide proposals for a five-year contract, including any provisions for yearly cost escalation beyond the cost of living adjustment as described in section 5.2.

Alternatives for longer terms may be presented for consideration. Any multi-year contract entered into the City is subject to annual appropriation.

4. Qualifications of Proposer

The City requires the submission of the following certified supporting data regarding the qualifications of the contractor in order to determine whether it is qualified and responsible.

1. Satisfactory evidence that the contractor possesses not less than five years of experience providing trash and recycling collection services in the Front Range.
2. Annual revenue in excess of \$1,000,000.
3. No default or unresolved judgments.
4. Evidence that the contractor is in good standing in the State of Colorado.
5. A copy of the latest available financial statements of the contractor (or, if the contractor is a subsidiary or division, then a financial statement of the parent corporation).
6. The names and resumes of the principal officers, partners, and/or officials. The name(s) and resume(s) of the individual(s) who will be responsible for the City contract.
7. Such additional information as will satisfy the City that the contractor is adequately prepared to fulfill all of the terms of the contract.

5. General Terms

The contract with the City shall include, but not be limited to, general terms that are substantially as follows.

5.1 Maintenance of Records and Reporting

The contractor shall maintain in its local office full and complete operation and customer service records that shall at all reasonable times be open for inspection and copying for any reasonable purpose by the City. Reports shall be submitted by the tenth day of each month to the City documenting the following information:

1. All customers to whom service was provided; detail to include address, account number, size of each container and monthly fee. Included with the line item report will be a summary report detailing the number of customers with each container size combination.
2. A log of complaints and resolutions for trash and recycling collection services;
3. A log of missed collections and responses
4. A description of any vehicle accidents or infractions
5. A listing of all accounts having a change of service during the month (i.e., 32-gallon service to 64 gallon service, etc.)
6. Weights in tons of all trash materials collected and landfill destination(s)
7. Weights in tons of recyclable materials collected and destination(s)
8. Weights in tons of compostable materials collected and destination(s)
9. Number of pickups and weights in tons of special wastes (curbside) collected and destination(s)
10. City facility specific tonnages????
11. Boulder County ReTRAC Reporting

5.2 Compensation Payment Schedule

The contractor shall bill the City monthly on a per account basis for services provided. Within 60 days of the start of the Contract, the contractor shall coordinate with the City's Finance Department to establish mutually acceptable billing forms and formats for data transfer. The City will retain full auditing rights of the contractor's accounting records as they pertain to the City's contract.

Annually, and effective on the anniversary of the Commencement Date, prices will be adjusted by the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) 1982-84=100. This change shall be based on the most recent 12-month period available.

5.3 Failure to Perform, Remedies, Termination

The City expects high levels of customer service and collection service provisions. Performance failures will be discouraged, to the extent possible, through penalties for certain infractions and through contract default for more serious lapses in service provisions. Section 5.5 details default provisions and procedures.

5.4 Penalties

Penalties may be levied if documented in an incident report presented by the City to the contractor. Penalties will be deducted from the monthly payment made by the City to the contractor. Disagreements will be subject to the review and resolution procedures provided in the contract.

Action or Omission

Penalties

Commencement of residential collection prior to 7:00 a.m. or continuance after 7:00 p.m. except as expressly permitted.

\$100.00 per incident (each truck on each route is a separate incident).

Failure to collect spilled materials.

Twice the cost of cleanup to the City plus \$1,000 each incident

Leakage from contractor vehicles or vehicle contents.

\$500 each vehicle, each inspection.

Failure to collect any and all garbage, recyclable materials, and compostables within one business day after notification.

\$250.00 each incident.

Collection from residential premises on other than the day specified excluding inclement weather or holiday schedule.

\$50.00 per structure.

Collection as garbage of source-separated recycling.

\$1,000.00 per incident.

Misrepresentation by contractor in records or reporting.

\$1,500 per incident.

Failure to make required reports on time.

\$500.00 per incident.

Failure to maintain clean and sanitary vehicles.

\$250.00 per vehicle per occurrence.

The above table is not an exclusive list of the acts or omissions for which a penalty may be assessed. Also, the contract shall include provisions detailing those acts and omissions of the contractor which shall be considered violations or breaches of the contract. The contract will reserve to the City the right to exercise any and all remedies it may have with respect to these and other violations and breaches. Any schedule of penalties shall not affect the City's ability to terminate the contract for breach.

5.5 Contract Default

The contractor shall provide a Performance Bond in the amount of \$300,000 [UPDATE THIS] or equal to the cost of three months' service to the City, whichever is greater, to cover the City's costs in the event of contractor default. The contract for the services will include a number of provisions protecting City interests in case of contractor default. These provisions may include requirements for surety interest in the contractor's equipment. The contract will also include provisions for successive levels of dispute resolution prior to litigation.

5.6 Force Majeure

The contract will provide that neither party shall be liable to the other for any delay in, or failure of, performance where performance is prevented or delayed by acts of God, fire, explosion, accident, flood, earthquake, epidemic, war, riot, rebellion, restraints or injunctions, or other legal processes from which a party affected cannot reasonably relieve itself by security or otherwise.

5.7 Indemnification and Insurance

The contractor shall be required to indemnify and hold harmless the City, its officers and its employees, from and against all liability, claims, and demands, on account of any injury, loss, or damage, which arise out of or are connected with the contractor's performance of the contract, if such injury, loss, or damage, or any portion thereof, is caused by, or claimed to be caused by, the act, omission, or other fault of the contractor or any subcontractor of the contractor, or any officer, employee, or agent of the contractor or subcontractor, or any other person for whom the contractor is responsible. The contract shall include provisions for the contractor to defend against such claims.

The contractor and any subcontractor of the contractor shall be required to carry at their own expense workers' compensation insurance, comprehensive general liability used in performance of the contract. The worker's liability insurance shall have limits of not less than \$2,000,000 each occurrence and \$4,000,000 aggregate. The vehicle liability insurance shall have limits of not less than \$150,000 each occurrence and \$1,000,000 aggregate. The City, its officers and employees, shall be named additional insured as respect to required coverage for particular operations, subrogation, production of certificates, cancellation, and insurer ratings.

5.8 Compliance with Laws and Miscellaneous

The contractor shall be responsible at its expense for obtaining and complying with all necessary permits, ordinances, and laws. The contract shall also include provisions concerning independent contractor status, equal employment opportunity, non-assignment, disclosure of information and records, applicable law, and such other terms and conditions as the City may require.

6. Self-Reliance

The City makes no guarantee on any of the estimates contained in the RFP and provides this data for informational purposes only. Contractors are expected to conduct their own investigations and research of relevant information used to develop their proposals, including but not limited to the estimated number and type of housing units, anticipated participation, diversion, container weights and all conditions related to the services provided.

The contractor shall make no claims against the City as a result of estimates or projections used herein, statements, or interpretation of data by City staff or its agents.

7. Information Requests and Requirements

Contractors are to indicate the number of residences in Louisville currently being served including the number of accounts served through homeowner associations. Information on container size, the number of containers, number of accounts recycling and utilization of special services are to be provided. Contractors should also provide available information on the gross amount of recyclables by material being collected from accounts in Louisville.

SAMPLE AGREEMENT FOR RESIDENTIAL SOLID WASTE COLLECTION SERVICES

Subject to change based on submitted proposal and negotiations

THIS AGREEMENT is made and entered into effective the **Xth day of XXX, 2014** by and between the CITY OF LOUISVILLE ("City"), a Colorado home-rule municipal corporation and (INSERT CONTRACTOR NAME), a Colorado corporation ("Contractor") whose address is (INSERT ADDRESS).

WHEREAS, the Contractor, in response to the City's request for proposals, submitted a written proposal to provide single-family residential trash (landfill), recycling and compostable collection services within the City and to perform such work as may be incidental thereto; and

WHEREAS, the City desires to have the Contractor perform residential trash, recycling and compostable collection services in accordance with the terms of this Agreement;

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Scope of Agreement.

- A. This Agreement pertains to single-family residences except for those within Homeowner Associations that offer their residents curbside trash and single-stream recycling as of the effective date of Ordinance No. 1545.
- B. This Agreement shall not be considered an exclusive franchise for services to the residents of the City and any resident may choose to negotiate with any other trash removal service licensed to do business in the City or may choose to remove their own waste materials in accordance with the laws and regulations of the City. If a resident decides not to use the service and is not part of a Homeowner Association that provides residents trash and curbside recycling, the resident will be billed for the service by the City as though the resident was subscribing for the 32-gallon service rate.

2. Scope of Work. The Contractor will provide the following:

- A. Weekly collection of trash, every-other-week collection of single-stream recyclables, and every-other-week collection of compostables/yard waste. Trash and compostables/yard waste rates will be unit-based or as otherwise identified herein, and there shall be no additional charge by the Contractor for collection of approved recyclables.
- B. The Contractor will supply all residences served with:
 - i) a 96-gallon, two-wheeled cart for accumulating and setting out recyclables for collection. This cart will be labeled as containing recyclables and include instructions for recycling as mutually agreed upon by the City and the Contractor. The Contractor shall have full responsibility for delivery, exchange,

- maintenance, removal and replacement of recycling carts, and there shall be no additional charge by the Contractor therefor.
- ii) a 32, 64 or 96-gallon, two-wheeled cart for accumulating and setting out compostables and yard waste for collection, depending on the level of service selected by the resident. The Contractor shall have full responsibility for delivery, exchange, maintenance, removal and replacement of carts for compostables and yard waste. Compostables and yard waste will be collected every other week alternating with the weeks recyclables are collected. The cost for compostables and yard waste collection shall be as set forth in Exhibit A.
- C. Two-wheeled carts for collection of trash will be supplied by the Contractor in 32-gallon, 64-gallon or 96-gallon sizes, depending upon the level of service selected by the resident. The Contractor shall have full responsibility for delivery, exchange, maintenance, removal or replacement of carts for trash. The cost for trash collection shall be as set forth in Exhibit A.
- D. Extra refuse (refuse in excess of the 32, 64 or 96-gallon service selected by the resident) will be collected as part of a prepaid sticker program.
- i) The Contractor will work with the City to develop a prepaid sticker for extra 32-gallon bags of trash that may be purchased by residents at locations designated by the City. Residents shall attach the prepaid stickers to each extra 32-gallon bag of trash.
 - ii) If the resident has not attached a sticker, the Contractor shall not be responsible for pickup of the extra trash.
 - iii) Prepaid stickers will be produced by the Contractor and sold to the City at the price per Exhibit "A", attached hereto and incorporated herein. The City, will sell the stickers to residents for a price established by the City. The price of prepaid bag stickers will be increased each time the price of regularly scheduled trash rates are increased under this Agreement and by the same percentage amount as the regularly scheduled rates are increased.
- E. The Contractor will collect approved bulky items (i.e. trash items that are too large to be placed in a 32-gallon refuse bag), such as furniture or appliances, and small equipment, such as lawnmowers, on any regular collection day. The Contractor shall not be responsible for collection of any bulky item unless it receives a request from the resident prior to the regularly scheduled collection day. The Contractor will maintain a list and price schedule of acceptable bulk items for pick-up.
- i) A resident's first bulky item in a calendar quarter will be taken free-of-charge (exception: Freon-containing appliances for which there is always a charge).
 - ii) Collection of any additional items in a calendar quarter shall be subject to the Special Request for Service procedures set forth in Section 7 of this Agreement.
 - iii) If the resident has not made prior arrangements with the Contractor, the bulky items will be left at the curb.

- F. The Contractor will supply a report in an electronic format acceptable to the City each month summarizing services provided, detailing the charges by address, and listing the addresses where the service level has been changed for use in adjusting the residents' utility bills.
- G. The Contractor will supply, on a subscription basis only and for an additional fee as set forth on Exhibit "A" to the resident, the following services:
 - i) Drive-In Service: Drive to homes with long driveways, etc. and empty refuse carts.
 - ii) Roll-Out Service: Roll the carts out from the resident (up to 50 feet) to the collection truck.
 - iii) E-Minders and House Calls: Using either the resident's e-mail address or home phone number to notify the resident of holiday collection schedule, storms that have slowed or stopped trucks from collection or changes to approved recyclables.
- H. During the length of this Agreement, the Contractor will supply its standard newsletter to the City via e-mail at no cost. The City may with the Contractor's prior approval amend the newsletter to address City issues and distribute the newsletter to residents in their City utility bill.
- I. Additional Services. The City and the Contractor may negotiate for cleanup and leaf collection programs, or other trash or recycling collection services not addressed herein.

3. Billing for Services.

- A. Unit-Based Rates will be charged each resident based on the rates in Exhibit "A":

Under the 96-Gallon Rate, residents may have additional 96-gallon refuse and/or compostables and yard waste containers. Residents will be charged as set forth in Exhibit "A" for each additional cart in excess of the first one.

- B. Individual Subscription Based Services, including Drive-In Service, Roll-Out Service, and E-Minders and House Calls, shall be charged as set forth in Exhibit "A".

- 4a. Recyclable Services: The Contractor will collect all of the materials that the Boulder County Recycling Center (BCRC) will accept from curbside programs and deliver them to the BCRC. All revenues from the sale of the recyclables will belong to the City and the Contractor will provide the City with a detailed monthly accounting of the material delivered to the BCRC. Materials delivered to the BCRC will be identified by the Contractor's employee as belonging to the City and the revenue from the sale of these materials will be collected by the City directly from BCRC. The recyclable materials shall be collected every other week on the same day as refuse collection, and shall be collected in one stream. Any changes to the materials acceptable to the BCRC will be communicated to residents thru the Contractor's next regular scheduled communication

- as required in Section 10 of this Agreement. Except for its collection and delivery obligations, Contractor is not responsible for the contents placed in recyclables carts by residents.
- 4b. Compostable Services: The Contractor will collect all compostable and yard waste materials that are suitable for composting. The Contractor will process all compostable and yard waste materials at a facility that is approved by the City. All revenues from the sale of compostable and yard waste will belong to the Contractor. The contractor will make available at no extra cost one-half cubic yard of finished compost per household per year. The compostable and yard waste materials shall be collected every other week on the same day as trash collection, and shall be collected in one stream. Any changes to the materials acceptable to the Contractors processing facility will be communicated to residents thru the Contractor's next regular scheduled communication as required in Section 10 of this Agreement. Except for its collection and delivery obligations, Contractor is not responsible for the contents placed in compostable carts by residents.
5. Alley Collection: The Contractor will provide alley collection of refuse, recyclables and compostables to all areas of the City with alleys. In areas where alley service is provided, Contractor shall not be required to additionally provide curbside service. If City directs Contractor to also provide curbside service to accommodate special needs of residents in alley service area, City shall pay Contractor an additional \$14.00 per block-face per month for that service directed by the City. ("Block-face" for these purposes means one side of a street from corner to corner.)
6. Hours and Days of Operation: The Contractor will limit regular collections between the hours of 7:00 a.m. and 5:00 p.m. on Thursday. The Contractor will present its collection plan for City approval, and shall obtain City approval thereof prior to commencement of services. Any material modifications of the agreed upon collection plan shall be subject to prior approval by the City.
7. Special Request for Service: A Special Service Request is a resident's request for the Contractor to make a special trip to their residence to collect trash or bulky trash. It is not a request for regularly scheduled service. Special Services are sold directly to residents and are billed directly to the resident through their credit card. Special service requests will be completed on collection day. Any special service request called in before 3:00 p.m. on the day prior to the collection day will be accommodated the immediately following collection day. Special service requests called in after 3:00 p.m. on the day prior to the collection day will be completed on the next collection day following collection day (one week later).
8. Holiday Schedule: The Contractor will observe New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. If one of the observed holidays falls on a Monday-Thursday, collection will be on Friday. The Contractor will supply an annual calendar, at no charge, to the participating residents showing what trash, recycling or compostable materials are to be set out each week and the collection days during holiday weeks.
9. Trucks and Equipment: The Contractor will advise City on any changes and evolution of equipment and vehicles.
10. Promotion and Education:

- A. Agreement Implementation: The Contractor will use its expertise and knowledge to assist City staff in the transition to the Contractor's services being provided under this Agreement. The Contractor will develop a list of questions and issues concerning the design, planning and implementation of the rate system and single-hauler collection and recycling program.
- B. Communication: The contractor will work with the City to provide service-oriented information to customers and for developing and executing public education to encourage waste reduction and diversion. Specifically, 30 days prior to the commencement of service the contractor shall provide an 8-1/2" x 11" two-color insert to be included in each customer's monthly bill (approximately 5,000-6,000 inserts required). This insert will inform City residents of the specifics of the trash, recyclables and compostables collection program, including a collection schedule, a listing of what materials can go into the each waste stream, instructions on the proper handling of the collection carts, instructions on what customers are to do with trash that does not fit into the collection carts, etc. At the same time, contractor shall provide a complete list of fees and services offered to each customer. The contents of the insert will be approved by the City. Contractor should also provide a cost to allow the City the option of requiring that the inserts will be directly mailed to all customers by the contractor. The contractor shall provide another such insert anytime there is a rate increase or change in the collection program.

In addition to the above educational information, the Contractor will work with City Staff to provide and share educational information that will further improve the efficiency and waste diversion performance of the collection program.

- 11. Public Informational Meetings: The Contractor's management staff will participate with City staff in all meetings necessary to introduce this new service to participating residents. The Contractor will develop informational materials to handout at these meetings, with the assistance of the City.
- 12. Customer Service Standards: The Contractor shall be responsible for providing all customer service functions including informing residents of current services, handling resident special service requests and resolving customer complaints. The Contractor will maintain and adhere to the Customer Service Standards set forth in Exhibit "B", attached hereto and incorporated herein by reference.
- 13. Maintenance of Records and Reporting The Contractor shall maintain in its local office full and complete operation and customer service records that shall at all reasonable times be open for inspection and copying for any reasonable purpose by the City, at no charge to the City other than actual cost of copying. All such information shall to the extent permitted by law be deemed as confidential. Reports shall be submitted by the tenth day of each month to the City documenting the following information:
 - A. All customers to whom service was provided; detail to include address, account number, size of each container and monthly fee. Included with the line item report will be a summary report detailing the number of customers with each container size combination

- B. A log of complaints and resolutions for refuse and recycling collection services;
 - C. A log of missed collections and responses;
 - D. A description of any vehicle accidents or infractions occurring in the City;
 - E. A listing of all accounts having a change of service during the month (i.e., 32 gallon service to 64 gallon service, etc.); and
 - F. Weights in tons of trash, recyclable materials, compostables and bulky items collected by commodity and where these items were delivered.
14. Compensation Payment Schedule: The Contractor shall bill the City monthly on an aggregate basis for services provided. The Contractor will supply a billing report in an electronic format acceptable to the City each month summarizing services provided, detailing the charges by address, and listing the addresses where the service level has been changed for use in adjusting the residents' utility bills. The total of the detailed report shall equal the aggregate amount billed to the City. The City shall pay each monthly billing within 30 days of receipt of the billing from the Contractor. The City will retain full auditing rights of the Contractor's accounting records as they pertain to the City's Agreement. All such information shall to the extent permitted by law be deemed as confidential.
15. Annual Price Change: Annually, and effective on the anniversary of the Commencement Date, prices will be adjusted by the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) 1982-84=100. This change shall be based on the most recent 12-month period available.
16. Failure to Perform: The City expects high levels of customer and collection service. Performance failures will be discouraged, to the extent possible, through penalties for certain infractions and through default for more serious lapses in service provisions.
17. Penalties: Penalties will be levied if documented in an incident report presented by the City to the Contractor. Penalties will be deducted from the monthly payment made by the City to the Contractor. Disagreements will be subject to the review and resolution procedures as agreed upon by the parties.

Action or Omission	Penalties
Commencement of residential collection prior to 7:00 a.m. or continuance after 5:00 p.m. except as expressly permitted.	\$100 per incident (each truck on each route is a separate incident).
Failure to collect spilled materials that the Contractor could have reasonably prevented from spilling or that the Contractor has knowledge of or has been notified of.	Twice the cost of cleanup to the City plus \$1,000 each incident
Leakage from Contractor vehicles or vehicle contents.	\$500 each vehicle, each inspection
Failure to collect any and all refuse, recyclable materials and yard debris within one business day	\$250 each incident.

after notification, except in those circumstances addressed by Section 26, Force Majeure, of this Agreement. This does not include materials left because resident failed to make payment arrangements for bulky items or failed to use refuse stickers for bags of refuse outside of carts. Contractor's "Not-Out" report which is generated on route and time-stamped shall be a defense in cases of reported failures to make collections.	
Collection from residential premises on other than the day specified excluding inclement weather, holiday schedule or Force Majeure as set forth in Section 26.	\$50 per structure
Collection as refuse of properly source-separated recycling.	\$1,000 per incident
Misrepresentation by Contractor in records or reporting.	\$1,500 per incident
Failure to license collection vehicles with Boulder County	\$250 per vehicle per occurrence

The above table is not an exclusive list of the acts or omissions for which a penalty may be assessed. The City has the right to exercise any and all remedies it may have with respect to these and other violations of City codes, laws, rules and regulations and breaches of this Agreement. Any schedule of penalties shall not affect the City's ability to terminate the Agreement for breach.

18. Contract Default: The Contractor shall provide a performance bond in the amount of \$300,000 or equal to the cost of three month's service to the City, whichever is greater, to cover the City's costs in the event of a Contractor default.
19. Effective Date; Term; Commencement of Services: This Agreement shall be deemed effective on the date executed by the Mayor and City Clerk on behalf of the City, after proper execution by the Contractor. This Agreement shall continue in effect for a period of five (5) years from the Commencement Date following the Notice to Proceed, unless terminated by either party as provided herein. Notwithstanding the effective date hereof, the Contractor shall not commence services under this Agreement until the City has issued a written Notice to Proceed, which notice shall be substantially in the form set forth in Exhibit "C" attached hereto and incorporated herein by reference. The Contractor shall commence services within 120 days after the date the City issues the Notice to Proceed, and the Contractor shall within 30 days after the date of the Notice to Proceed identify in writing to the City the specific date on which services shall commence, which specific date shall be the Commencement Date. If the Notice to Proceed is not issued by **July 1, 2014**, then this Agreement may be terminated by either party by giving 10 days written notice.
20. Non-Appropriation; Condition Precedent: The City's financial obligation under this Agreement is from year to year only, and any financial obligation shall be subject to annual appropriation in the sole and absolute discretion of the Louisville City Council. Nothing in this Agreement shall be deemed or construed as creating a multiple fiscal year

obligation on the part of the City within the meaning of the Colorado Constitution, Article X, Section 20. Issuance of a Notice to Proceed under this Agreement is expressly contingent upon the adoption and final effectiveness of an ordinance establishing the City's residential trash and single-stream recycling collection services program and fees therefor. In the event such ordinance is not adopted, whether by the governing body or through any exercise of referendum, this Agreement may be terminated by either party by giving 10 days written notice and, in the event of such termination, no party shall have any further obligation to the other party, except any obligations that are stated in this Agreement to survive termination of the Agreement.

21. Termination: This Agreement may be terminated by either party by giving 180 days written notice to the other party prior to the anniversary date of the Agreement. Additionally, and notwithstanding the provisions of this section, this Agreement may be terminated if, in the sole judgment of the City Manager, service by the Contractor pursuant to this Agreement is not satisfactory. Prior to terminating this Agreement, the City Manager shall cause notice to be given to the Contractor specifying why service is considered by the City to be unsatisfactory. The Contractor shall have thirty (30) days to correct such deficiencies after which the City Manager shall again review the service being furnished under this Agreement. If the City Manager, in his sole discretion, still finds the service unsatisfactory, he may terminate this Agreement by giving the Contractor thirty (30) days written notice. This Agreement shall automatically terminate at the end of the thirty (30) day period following such second notice to the Contractor. This Agreement is also subject to termination as provided in Sections 19 and 20.
22. Independent Contractor: The Contractor, and any persons employed by the Contractor for the performance of work hereunder, shall at all times be independent contractors and not the employees or agents of the City. As independent contractors, the Contractor and its employees are not entitled to workers' compensation benefits except as maybe provided by the Contractor, nor to unemployment insurance benefits unless unemployment compensation coverage is provided by the Contractor or some other entity. The Contractor is obligated to pay all federal and state income tax, and other applicable taxes, on any moneys earned or paid pursuant to this Agreement. The Contractor shall be responsible and pay for all the following:
 - A. Services of the drivers, their assistants, and any other personnel involved in any services rendered under this Agreement; and
 - B. For assuring that each driver involved in any services rendered under this Agreement holds a valid commercial driver's license issued by the State of Colorado; and
 - C. Expenses, maintenance, and operations of the trucks and any other equipment involved in any services rendered under this Agreement; and
 - D. For compliance at all times with all laws, ordinances, rules, and regulations pertaining to the services rendered under this Agreement, and assuring such compliance by the drivers, their assistants, and any other personnel involved in any services under this Agreement.

23. Insurance Requirements:

- A. The Contractor agrees to procure and maintain, at its own cost, the following policies of insurance. The Contractor shall not be relieved of any liability, claims, demands, or other obligations assumed pursuant to this Agreement by reason of its failure to procure or maintain insurance, or by reason of its failure to procure or maintain insurance in sufficient amounts, durations, or types.
- B. The Contractor shall procure and maintain, and shall cause any subcontractor performing work pursuant to this Agreement to procure and maintain or insure the activity of the Contractor's subcontractors in the Contractor's own policy, the minimum insurance coverages listed below. Such coverages shall be procured and maintained with forms and insurers acceptable to the City. All coverages shall be continuously maintained from the date of commencement of services hereunder. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.
 - (1) Worker's Compensation insurance to cover obligations imposed by the Worker's Compensation Act of Colorado and any other applicable laws for any such employee engaged in the performance of work under this Agreement, and Employers' Liability insurance with minimum, limits of TWO MILLION DOLLARS (\$2,000,000) each occurrence, and FOUR MILLION DOLLARS (\$4,000,000) aggregate.
 - (2) Comprehensive General Liability insurance with minimum combined single limits of TWO MILLION DOLLARS (\$2,000,000) each occurrence and TWO MILLION DOLLARS (\$2,000,000) aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, independent contractors, products, and completed operations. The policy shall include coverage for explosion, collapse, and underground hazards. The policy shall contain a severability of interests' provision.
 - (3) Comprehensive Automobile Liability insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000) each occurrence and ONE MILLION DOLLARS (\$1,000,000) aggregate with respect to each of the Contractor's owned, hired or non-owned vehicles assigned to or used in performance of the services. The policy shall contain a severability of interests' provision.
- C. The policies required above, except for the Workers' Compensation insurance and Employers' Liability insurance, shall be endorsed to include the City and its officers and employees as additional insured. Every policy required above shall be primary insurance, and any insurance carried by the City, its officers, or its employees, shall be excess and not contributory insurance to that provided by the Contractor. The additional insured endorsement for the Comprehensive General Liability insurance required above shall not contain any exclusion for bodily injury or property damage

arising from completed operations. The Contractor shall be solely responsible for any deductible losses under each of the policies required above.

- D. Certificates of insurance shall be completed by the Contractor's insurance agent as evidence that policies providing the required coverages, conditions, and minimum limits are in full force and effect, and shall be subject to review and approval by the City. Each certificate shall provide that the coverages afforded under the policies shall not be canceled, terminated or materially changed until at least 30 days prior written notice has been given to the City. If the words "endeavor to" appear in the portion of the certificate addressing cancellations, those words shall be stricken from the certificate by the agent(s) completing the certificate. The City reserves the right to request and receive a certified copy of any policy and any endorsement thereto.
 - E. Failure on the part of the Contractor to procure or maintain policies providing the required coverages, conditions, and minimum limits shall constitute a material breach of this Agreement for which the City may immediately terminate the Agreement, or at its discretion may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connections therewith, and all monies so paid by the City shall be repaid by the Contractor to the City upon demand, or the City may offset the cost of the premiums against any monies due the Contractor from the City.
 - F. The parties hereto understand and agree that the City is relying on, and does not waive or intend to waive by any provision of this Agreement, the monetary limitations (presently \$150,000 per person and \$600,000 per occurrence) or any other rights, immunities, and protections afforded it by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et seq., as from time to time amended, or otherwise available at law and applicable to the City, its officers, or its employees.
24. Indemnification: The Contractor agrees to indemnify and hold harmless the City, and its officers, officials and its employees, from and against all liability, claims demands, and expenses, including court costs and reasonable attorney fees, on account of any injury, loss, or damage, which arise out of or are in any manner connected with the work to be performed under this Agreement, if such injury, loss, or damage is caused by, or is claimed to be caused by, the negligent act or omission, error, professional error, mistake, accident, or other fault of the Contractor, any subcontractor of the Contractor, or any officer, employee, or agent of the Contractor, or any other person for whom the Contractor is responsible. The obligations of this section shall not apply to damages which the City shall become liable by final judgment to pay to a third party as a result of the negligent act or omission, error, professional error, mistake, accident, or other fault of the City.
25. Notice: Any notice or communication between the Contractor and the City which may be required, or which may be given, under the terms of this Agreement shall be in writing, and shall be deemed to have been sufficiently given when directly presented or sent pre-paid, first class United States Mail, addressed as follows:

City of Louisville
749 Main Street
Louisville, CO 80027

Contractor Information

Attn: Director of Public Works

26. Force Majeure: Neither party shall be liable to the other for any delay in, or failure of, performance where performance is prevented or delayed by acts of God, fire, explosion, accident, flood, earthquake, epidemic, war, riot, strikes, lockouts, rebellion, restraints or injunctions, or other legal processes from which a party affected cannot reasonably relieve itself by security or otherwise. In cases of inclement weather, The Contractor and the City's Public Works Director shall agree for what period of time and upon what conditions collection service shall be suspended and such suspension shall be considered a force majeure event.
27. Compliance with Law: The work and services to be performed by the Contractor hereunder shall be done in compliance with all applicable federal, state, county and city laws, ordinances, rules and regulations.
28. Venue: This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in the County of Boulder, State of Colorado.
29. No Waiver: Delays in enforcement or the waiver of any one or more defaults or breaches of this Agreement by the City shall not constitute a waiver of any of the other terms or obligations of this Agreement.
30. Assignment: This Agreement shall be binding upon the parties hereto, their successors or assigns. The Contractor shall not assign this Agreement, in whole in part, or assign any rights to payment hereunder, without prior written consent of the City.
31. Default Attorney Fees: In the event that suit is brought regarding this Agreement, the prevailing party shall be entitled to its reasonable attorney fees and related court costs. Colorado law shall apply to the construction and enforcement of this Agreement.
32. Entire Agreement: This Agreement represents the entire Agreement between the parties and there are no oral or collateral agreements or understandings, This Agreement may be amended only by an instrument in writing signed by the parties.
31. Authority to Execute Agreement: The signatory of the Contractor represents and warrants that he has been duly authorized by the Contractor to enter into this Agreement and has full power and authority to bind the Contractor to the terms and conditions of this Agreement.
32. Immigration Status Obligations:

Prohibition Against Employing Illegal Aliens. The Contractor shall not knowingly employ or contract with an illegal alien to perform work under this contract. The Contractor shall not enter into a contract with a subcontractor that fails to certify to the The Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this contract.

The Contractor will participate in either the E-verify program or the Department program, as defined in C.R.S. § 8-17.5-101(3.3) and 8-17.5-101(3.7), respectively, in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services. The Contractor is prohibited from using the E-verify program or the Department program procedures to undertake pre-employment screening of job applicants while this contract is being performed.

If the Contractor obtains actual knowledge that a subcontractor performing work under this contract for services knowingly employs or contracts with an illegal alien, the Contractor shall:

- a. Notify the subcontractor and the City within three days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
- b. Terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to this paragraph the subcontractor does not stop employing or contracting with the illegal alien; except that the Contractor shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

Contractor shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that the Department is undertaking pursuant to the authority established in C.R.S. § 8-17.5-102(5).

If Contractor violates a provision of this Contract required pursuant to C.R.S. § 8-17.5-102, the City may terminate the contract for breach of contract. If the contract is so terminated, the Contractor shall be liable for actual and consequential damages to the City.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first written above.

**CITY OF LOUISVILLE,
COLORADO**

CONTRACTOR:

By: _____
Robert P. Muckle, Mayor

By: _____
Title: _____

(CORPORATE SEAL)

(CORPORATE SEAL)

Attest: _____
Nancy Varra, City Clerk

Attest: _____

EXHIBIT "A"

UNIT-BASED RATES:

32-Gallon weekly trash service	per month
64-Gallon weekly trash service	per month
96-Gallon weekly trash service	per month
Additional carts any size – refuse or compostables and yard waste ⁽¹⁾	each
Prepaid sticker per 32-gallon bag	each
32-Gallon bi-weekly compostables and yard waste collection	per month
64-Gallon bi-weekly compostables and yard waste collection	per month
96-Gallon bi-weekly compostables and yard waste collection	per month
First bulky item in a calendar quarter ⁽²⁾ <i>(Excludes Freon-containing appliances and hazardous waste)</i>	each
Mid month start or stop service pro-ration	each
End of month service changes	/each

⁽¹⁾ Provided a customer has paid for 96-gallons of weekly trash service or 96-gallons bi-weekly compostables and yard waste service.

⁽²⁾ Bulky items, such as furniture or appliances and small equipment, such as lawnmowers, on any regular collection day.

ADDITIONAL SERVICES:

Provide containers and collection of all recyclables and compostables from City of Louisville government offices and facility locations. Including a dumpster for single-stream recyclables at 1601 Empire Road (City Shops).	each
Collection of recyclables and organics from up to six special events per year sponsored by or for which the City of Louisville is a participant.	each

SERVICES PRICED AS INDIVIDUAL SUBSCRIPTIONS

The following services will be offered to Louisville customers on an individual basis. They will be added to the appropriate addresses in the billing transmitted to the city at month end.

Recycle Bins	per month
Drive-In Service ⁽³⁾	per month
Roll-Out Service ⁽³⁾	per month
Enhanced Customer Communications Package	/month/account

(Includes Web Site Support & Information, E-Minders & House Calls,
And providing quarterly newsletter for distribution by City.)

⁽³⁾ Any residents who need this service due to a handicap will receive this service at no charge.

EXHIBIT “B”

CUSTOMER SERVICE PRINCIPLES

The following principles will apply to the Contract and will be adhered to:

1. Do it right the first time - Keep systems in place to make sure that everyone knows what they are supposed to do each day, delivering the quality of service the customer expects.
2. Offer flexibility to the customer - Flexible services to meet a variety of resident needs, flexible equipment that can work in a variety of areas and take most waste that is set out for collection; and flexible systems that can accept changes based on customer needs, not contractor needs or limitations.
3. Be consistent - Deliver the same high quality service in the same manner week-in and week-out is one of the things customers expect and value.
4. Communication - Keep customers informed and offer them a variety of ways to get the information they need.
5. Be responsive - Listen to the customer and respond to their needs. Ask for feedback and continually improve in meeting their expectations and needs.

CUSTOMER SERVICE STANDARDS

The following are service standards that can be expected by the City of Louisville:

1. Routes will not start before 7:00 a.m. and will be completed by 7:00 p.m.
2. If carts are improperly set out for collection, they will still be collected and a cart hanger will be left explaining how and where the cart must be placed in the future.
3. Extra material outside of the carts will not be collected at the time of collection, unless the material is bagged and labeled in accordance with the prepaid sticker option. For materials not collected, a cart hanger will be left explaining that all waste must be in a cart or prepaid bag and that there are options for larger and/or additional containers..
4. Bulky items, such as furniture, appliances, etc., will be collected on the normal collection day. Extra charges will apply as per Exhibit A.
5. All records of extra charges or trash or recyclables "not-out" will be available in contractor's system at 9:00 a.m. the day after collection.
6. Cart exchanges or repairs should be performed within 72 hours of being notified. However, doing this on a normal collection day works best.
7. If an oil leak occurs from one of the collection trucks, the oil spill shall be cleaned up in compliance with applicable regulations.

EXHIBIT "C"
Form of Notice to Proceed

DATED: _____, 201__

To: _____

Re: Notice to Proceed with Commencement of Residential Trash
Single-Stream Recycling and Compostables Collection Services

Contractor:

This shall serve as your notice to proceed with commencement of residential refuse, single-stream recycling and compostables collection services for the City of Louisville pursuant to that certain Agreement for Residential Trash and Recycling Collection Services Agreement entered into effective _____, 201__.

As required by Section 19 of the Agreement, you are commence services within 120 days of the date of this Notice to Proceed. As further required by Section 19, you must provided to the City, in writing and within 20 days of the date of this Notice, the specific date upon which collection services will commence, which specific date is the "Commencement Date". All services required under the Agreement shall be started on the Commencement Date, and performed in strict accordance with the Agreement.

You are to execute and return two signed originals of this Notice to Proceed to evidence your receipt of same and to indicate the Commencement Date.

City of Louisville, Colorado

By: _____
Title: _____

ACKNOWLEDGEMENT:

The Contractor hereby acknowledges receipt of the Notice to Proceed and hereby sets the following as the specific date for commencement of all services under the Agreement:

COMMENCEMENT DATE: _____, 200__

CONTRACTOR:

By: _____
Title: _____
Date: _____

EXHIBIT A

Price Sheet

Residential Collection Services

UNIT-BASED RATES:

32-Gallon weekly trash service	\$ _____ per month
64-Gallon weekly trash service	\$ _____ per month
96-Gallon weekly trash service	\$ _____ per month

Additional carts any size – trash, recyclables or compostables ⁽¹⁾ \$ _____ each

Prepaid sticker per 32-gallon bag \$ _____ each

32-Gallon bi-weekly compostables and yard waste collection	\$ _____ per month
64-Gallon bi-weekly compostables and yard waste collection	\$ _____ per month
96-Gallon bi-weekly compostables and yard waste collection	\$ _____ per month

First bulky item in a calendar quarter⁽²⁾
(Excludes Freon-containing appliances and hazardous waste) \$ _____ each

Weekly Service changes-start, stop or cart size changes \$ _____ /each

⁽¹⁾ Provided a customer has paid for 96-gallons of weekly trash service or 96-gallons bi-weekly compostables/yard waste service.

⁽²⁾ Bulky items, such as furniture or appliances and small equipment, such as lawnmowers, on any regular collection day.

ADDITIONAL & ALTERNATE SERVICES:

1. Alternate pricing to provide natural gas powered fleet of trash trucks: provide detail concerning percentage increase or decrease for unit based rates.

2. Alternate pricing for the City of Louisville to provide all trash, recycling and compost carts. All cart related services (exchange, repair, storage, etc.), excluding parts, would be the responsibility of the Contractor.

3. Alternate pricing for compost pickup weekly with trash and recyclable pickup every other week

4. Provide containers and collection of all trash, recyclables and compostables from City of Louisville government offices and facility locations. See Exhibit A-2

5. Collection of trash, recyclables and compostables for up to six (6) special events per year as designated by the City of Louisville. \$ _____ each

EXHIBIT A

Price Sheet

Residential Collection Services

6. Addition charges (per haul) for autumn leaf and yard waste collection:

30 cubic yard container

\$ _____

40 cubic yard container

\$ _____

SERVICES PRICED AS INDIVIDUAL SUBSCRIPTIONS

The following services will be offered to Louisville customers on an individual basis. They will be added to the appropriate addresses in the billing transmitted to the city at month end.

Drive-In Service⁽³⁾

\$ _____ per month

Roll-Out Service⁽³⁾

\$ _____ per month

Enhanced Customer Communications Package

\$ _____ month/account

(Includes Web Site Support & Information, E-Minders & House Calls, and providing quarterly newsletter for distribution by City.)

⁽³⁾Any residents who need this service due to a handicap will receive this service at no charge.

Exhibit A-2

Price Sheet

Waste Collection Services for City of Louisville Facilities

Trash Disposal Rate Structure				
Qty	Size	Frequency	Cost	Per
1	96 g	1x per week		month
1	96 g	2x per week		month
2	96 g	2x per week		month
1	2 cy	1x per week		month
1	2 cy	2x per week		month
1	3 cy	1x per week		month
1	3 cy	2x per week		month
2	3 cy	2x per week		month
1	6 cy	1x per week		month
2	6 cy	2x per week		month
1	30 cy	as needed		haul
Single Stream Disposal Rate Structure				
Qty	Size	Frequency	Cost	Per
1	32 g	1x per week		month
1	64 g	1x per week		month
1	96 g	1x per week		month
1	2 cy	1x per week		month
1	3 cy	1x per week		month
1	6 cy	1x per week		month
Compostable Disposal Rate Structure				
Qty	Size	Frequency	Cost	Per
1	32 g	1x per week		month
1	64 g	1x per week		month
1	96 g	1x per week		month
2	96 g	1x per week		month



February 2018 Drought Update

Water Availability Task Force Co- Chairs

Taryn Finnessey, CWCB
303.866.3441 ext. 3231

Taryn.Finnessey@state.co.us

Tracy Kosloff, DWR
303-866-3581 ext. 8211

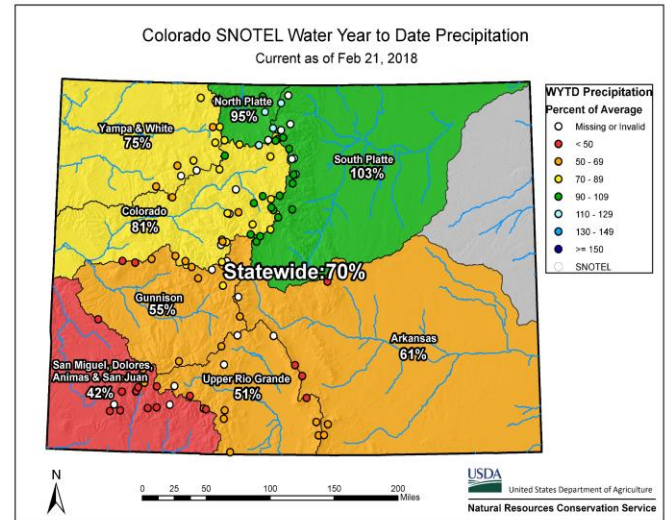
Tracy.Kosloff@state.co.us

2018 has started off warm and dry across most of the state with very few below average temperatures; and despite recent precipitation, it is unlikely that many basins in the southern half of the state will be able to reach average snow accumulation this season. 71 percent of the state is in some level of drought classification with 38 percent in moderate drought, 26 percent in severe drought and 8 percent classified as extremely dry. An additional 20 percent of the state is experiencing abnormally dry conditions. Mesa Verde National Park is currently experiencing the driest conditions on record (1923). Water providers are cautiously watching conditions but most have above average amounts of water in storage.

- As of February 21, statewide precipitation at SNOTEL sites is 70 percent of average, with all of the basins improving as a percent of normal compared to last month. The North and South Platte basins have experienced the highest levels of precipitation in the state, at 95 and 103 percent, respectively. Despite recent gains, southern basins such as the Southwest basins of the San Miguel, Dolores, Animas & San Juan, Rio Grande and Gunnison basins remain below normal precipitation at 42, 51 and 55 percent respectively. Conditions are also dry in the Arkansas Basin at 61 percent of average annual precipitation to-date. Several attendees pointed out a concerning lack of snow at foothill elevations in the Front Range.
- Statistical analyses indicate that it will be hard for the state as a whole to reach normal snowpack given current conditions; however this varies from basin to basin with southern basins significantly drier than those in the north.
- Reservoir storage statewide is at 115 percent of normal, with all basins above average. The Arkansas basin is reporting the highest average storage at 143 percent. The Gunnison basin has the lowest storage levels in the state at 104 percent of normal.
- Both the SWSI and stream flow forecasts are based on conditions as of February 1, before several storms provided moisture to high mountain elevations. SWSI values declined compared to January 1, especially in the southwestern and south central part of the state. Stream flow forecasts are largely below normal statewide.
- Water providers in attendance report their respective system storage levels are at or above average for this time of the year, but the lack of snowpack is concerning and being closely monitored. The majority of representation was from providers in the South Platte Basin, which is currently has the highest snowpack in the state.
- Short term forecasts show that temperatures will be more seasonal with a normal chance of precipitation, however longer term forecasts indicate increased likelihood of below average precipitation and above average temperatures.
- A weak La Niña remains in force for now, and forecasts indicate that warm and dry conditions are likely to persist through the spring. It is unclear what will happen during the summer months.

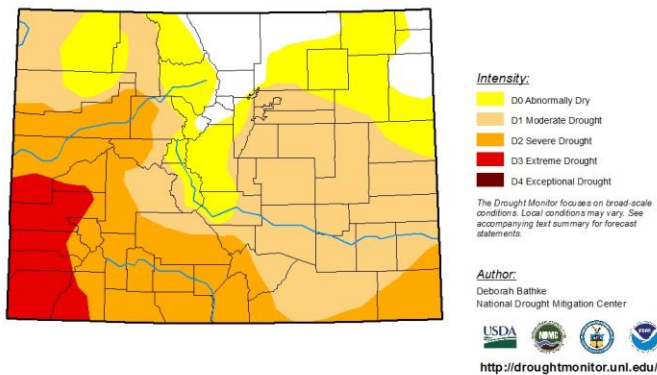
February 2018 Drought Update

Statewide SNOTEL precipitation is well below average at 70 percent with the southern half of the state much drier than the northern basins.



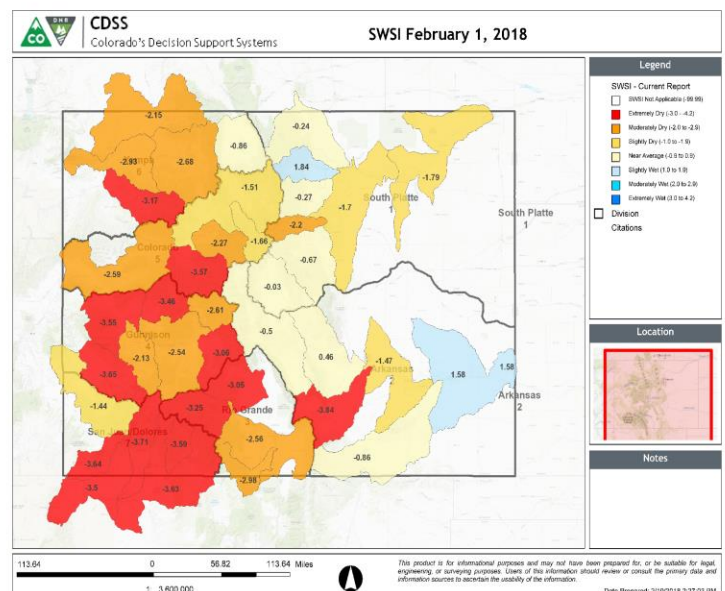
U.S. Drought Monitor Colorado

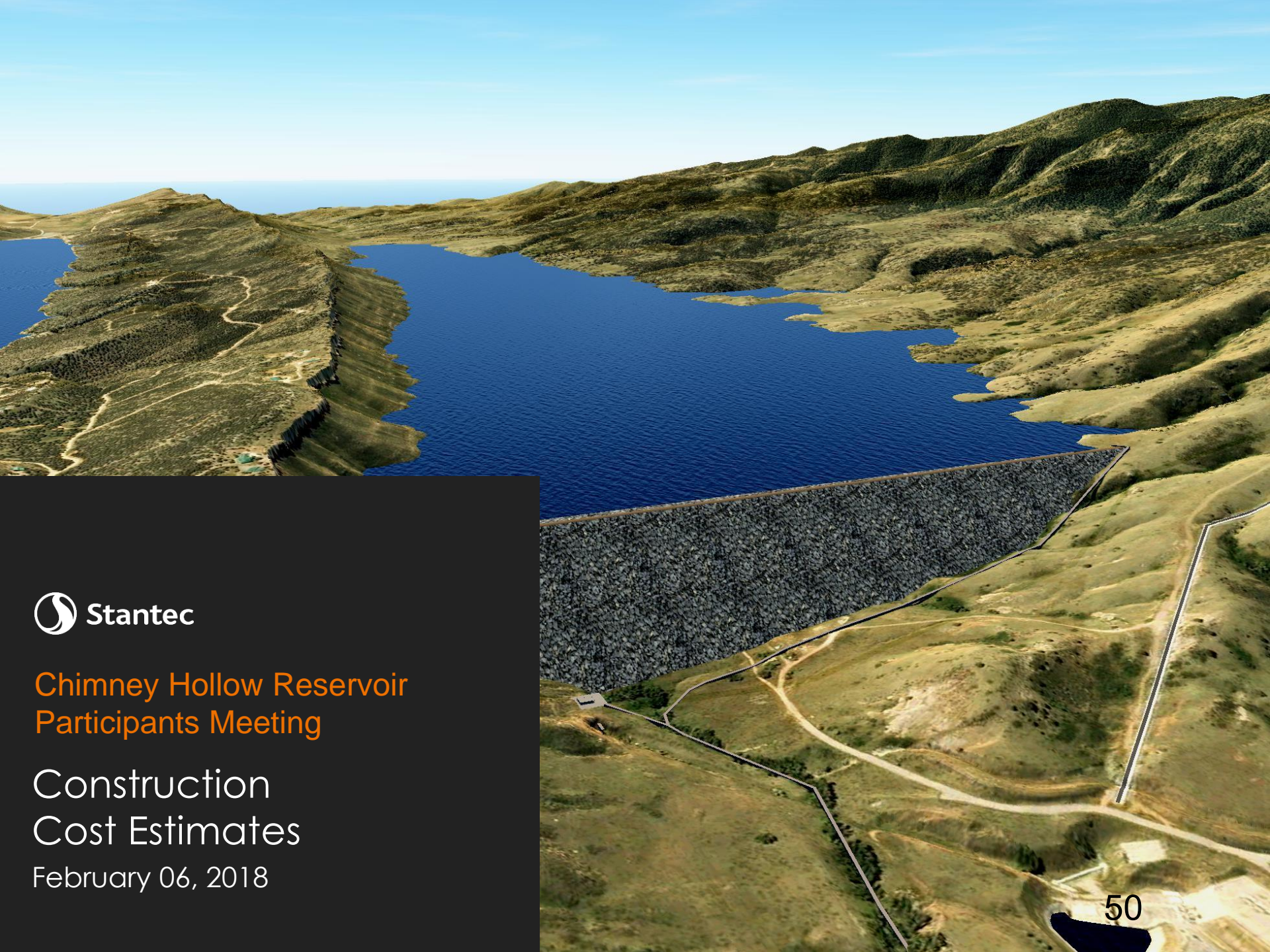
February 20, 2018
(Released Thursday, Feb. 22, 2018)
Valid 7 a.m. EST



North central Colorado has seen some improvements in drought conditions over the last month, while conditions have deteriorated in the southern half of the state. The Southwest corner of the state is the driest and unfortunately dry conditions are forecast to persist through spring.

The Surface Water Supply Index (SWSI) for the state shows extremely dry conditions across much of the western slope. The SWSI reflects both reservoir storage as well as stream flow forecasts.

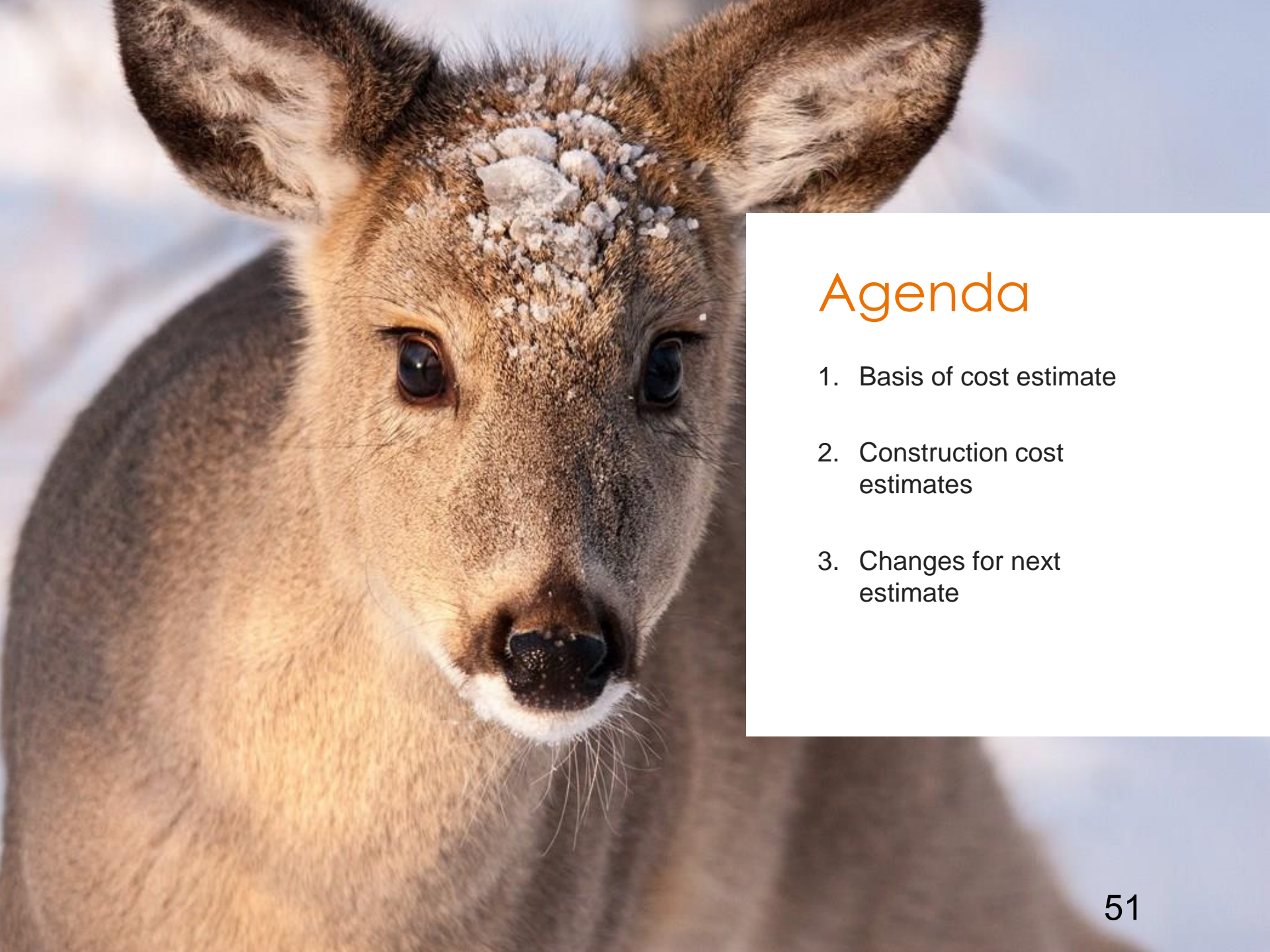




Chimney Hollow Reservoir Participants Meeting

Construction Cost Estimates

February 06, 2018



Agenda

1. Basis of cost estimate
2. Construction cost estimates
3. Changes for next estimate

Basis of cost estimate

“Bottoms up” estimate based on:

- Quantity take offs from drawings
- Crews – labor rate are local Davis Bacon wages
- Equipment rate based on 80% of “Blue Book” and hourly operating costs
- Construction schedule

Basis of cost estimate

Estimate developed in “International Project Estimator” software coupled with in-house crew data base.

Developed by professional cost estimators for heavy civil construction.

Estimate is what a “prudent” contractor would include in its bid.

Indicator of fair market value, not lowest bid.

Mid-range bid, assuming four or more competitive bids.

Construction cost estimates

Previous estimate

- **Alternatives Analysis Design Level March 2017**
- AACE Class 3
- Escalation not included, Q1 2017 costs

Current estimate

- **Intermediate Design Level September 2017**
- AACE Class 3
- Escalation not included, Q4 2017 costs

Next cost estimate

- **Pre-final Design Level May 2018**
- AACE Class 3
- Escalation to mid point of construction

Construction cost estimates

Association of Cost Estimating Engineers

AACE Class	Design	Accuracy Range	Typical Contingency
5	<5%	-35% to +50%	20% to 40%
4	<15%	-25% to +35%	10% to 30%
3	10%-40%	-20% to +30%	5% to 20%
2	50%-99%	-10% to +15%	0% to 10%
1*	100%	+/-5%	0% to 5%

* Class 1 estimates are reserved for actual contractor proposals that rely on final bid documents and access to all pre-tender addendums.

Construction cost estimates

Association of Cost Estimating Engineers – **Class 3 Estimates**

“Class 3 estimates are typically prepared to support full project funding requests, and become the first of the project phase “control estimates” against which all actual costs and resources will be monitored for variations to the budget.”

“In many owner organizations, a Class 3 estimate may be the last estimate required and could well form the only basis for cost/schedule control.”

Construction cost estimates

Association of Cost Estimating Engineers – **Class 2 Estimates**

“Class 2 estimates are typically prepared as the detailed control baseline against which all actual costs and resources will now be monitored for variations to the budget, and form a part of the change/variation control program.”

“Class 2 estimates always involve a high degree of deterministic estimating methods. Class 2 estimates are prepared in great detail, and often involve tens of thousands of unit cost line items. For those areas of the project still undefined, an assumed level of detail takeoff (forced detail) may be developed to use as line items in the estimate instead of relying on factoring methods.

Construction cost estimates

Item	Nov 2017 \$M	May 2017 \$M	Change \$M	
General Bid Items	12.2	9.1	3.1	Paved access roads vs gravel Bridge over penstock
Main Dam	166.6	154.6	12.1	Slightly taller dam (0.7ft) Contingency for foundation excavation Blanket grouting
Saddle Dam	5.4	7.3	-2.0	ECRD dam rather than ACRD, less foundation treatment
I/O Works	18.1	13.7	4.5	Larger diameter DS tunnel US & DS portals Water management Pipeline from portal to valve house
Spillway	8.8	4.8	4.0	Excavation Concrete
Conveyance	10.6	12.2	-1.7	Shorter Chimney Hollow Conduit
Valve House	14.0	11.3	2.6	Design development
Field Oversight	22.4	19.1	3.3	Longer construction schedule
Allowances	67.1	72.6	-5.5	Reduced contingency from 25% to 20%
Markups	44.6	41.8	2.8	% of construction cost
Subtotal Construction	369.7	346.5	23.2	6.7% increase

Construction cost estimates

No.	Description	Price
1	Zone 4 Rockfill	99,228,666
2	Zone 1 Hydraulic Asphalt Concrete	18,146,664
3	Foundation Drilling and Grouting	14,491,621
4	Unclassified Excavation	9,253,485
5	Valve House Mechanical	8,434,104
6	Zone 2 Transition (2-in minus)	7,881,201
7	Zone 3 Transition (6-in minus)	7,661,773
8	Pipeline, buried 72-in diameter	7,033,924
9	Spillway Chute Concrete	4,255,514
10	Permanent Access Road	3,663,320
11	Downstream Tunnel (21 ft high) excavation	3,651,269
12	Saddle Dam Access Road	3,244,769
13	Valve House	2,702,365
	Total	189,648,675

Construction cost estimates

Allowances

for known but undefined scope items

5%

Contingency

Unforeseen market conditions

Quantity and estimating accuracies

Unknown risks

20%

Construction cost estimates

Types of things included in contingency:

Unforeseen market conditions

- Highly competitive market
- Large pool of capable contractors
- Predictable commodity prices
- Tight labor market

Construction cost estimates

Types of things included in contingency:

Quantity and estimating accuracies

- design changes
- schedule risks, start date, finish date
- government regulations ,taxes
- escalation accuracy
- production accuracy
- equipment cost accuracy
- crew size accuracy
- mobilization cost accuracy
- rebar ratios estimated accuracy
- quantity takeoff accuracy
- profit margin for the project
- bonding pricing

Construction cost estimates

Types of things included in contingency:

Unknown risks

- work load changes in contractor availability
- quotes that were not obtained on materials
- specifications not completed
- design details unknown
- unknown interest rates
- contract unknown general conditions

Construction cost estimates

Markup for Overhead & Profit on self performed work
12%

Markup for Bond & Insurance
1.5%

Markup for Taxes
0%

Markup for Escalation
0%

Changes for next estimate

- Completed geotechnical investigations
- Completed test quarry, test fill, test processing
- Reclamation engaged on conveyance and bridge over penstock
- Larimer county engaged on access road
- Addressed PRB comments

Changes for next estimate

Advanced design to pre-final level

- Raised main dam 0.7 ft
- Changed saddle dam to ECRD from ACRD
- Moved valve house
- Designed tunnel for hydrostatic pressures
- Finalized spillway alignment and depth

Changes for next estimate

- Address deeply weathered rock on left abutment
- Reduce construction cost contingency
- Include escalation to midpoint of construction
- Update owners' costs
- Include owners' contingency (post award contingency)

Changes for next estimate

Construction cost indices

ranged from 4% to 5% annually
average 4.51%

Escalation to mid point of construction

36 months
14.1%

Changes for next estimate

Item	Feb 2018 \$M
Property and Easements	6.0
Planning & Permitting	14.0
Mitigation & Enhancement	22.5
Design	19.5
Owners' Cost for Construction	48.5
Owners Cost Subtotal	110.5

Changes for next estimate

Subtotal Construction	369.7
Escalation	52.2
Total Construction	421.9
Owner's Cost	110.5
Subtotal	532.4
Owner's contingency	42.2
Total estimated cost	574.6
Sunken Costs	53.0
Financing Amount	521.6

ANY
QUESTIONS
?

SUMMARY	2019	2020	2021	2022	2023	2024	Total
Water	\$3,530,000	\$539,500	(\$3,000)	\$35,000	\$352,000	(\$157,000)	\$4,296,500
Wastewater	\$518,000	\$49,500	(\$1,000)	(\$98,000)	(\$489,000)	\$105,000	\$84,500
Storm	\$9,000	\$388,000	(\$92,000)	\$210,000	\$191,000	\$204,000	\$910,000

City of Louisville - Water Utility 2018 Rate Forecast CIP with Inflation							City of Louisville - Water Utility Preliminary 2019-2024 Forecast CIP with Inflation						
Project	Forecast						Forecast						
	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024	
NCWCD-Windy Gap Firming Project	\$747,000	\$747,000	\$747,000	\$747,000	\$747,000	\$747,000	\$747,000	\$747,000	\$747,000	\$747,000	\$747,000	\$747,000	
NCWCD-SWSP Eastern Pump Station	\$93,000						\$93,000						
Water Line Replacement	\$257,000	\$263,000	\$270,000	\$276,000	\$283,000	\$290,000	\$895,000	\$294,000	\$151,000	\$227,000	\$547,000	\$163,000	
Water Line Replacement - City Streets	\$69,000	\$61,000					\$0	\$0					
Water Rights Acquisition			\$565,000	\$552,000	\$566,000	\$580,000			\$565,000	\$552,000	\$566,000	\$580,000	
Sid Copeland WTP Pump Station Improvements													
SWSP Transmission Capacity	\$129,000	\$1,324,000					\$129,000	\$1,324,000					
Replace Tube Settlers													
McKay Reservoir Pipeline			\$1,077,000						\$1,077,000				
Lateral Ditch Piping							\$2,500,000						
Marshall Lake Sediment Control				\$111,000	\$566,000					\$111,000	\$566,000		
Water Plants Disinfection Evaluation													
Scada Master Plan		\$106,000						\$0					
Pipeline modification to Fill Marshall Reservoir			\$45,000	\$552,000					\$45,000	\$552,000			
HBWTP High Service Pump Replacement/Rehab				\$276,000					\$84,000	\$276,000	\$17,000		
Pipeline Condition Assessment													
SBR Ditch Lining	\$86,000	\$88,000	\$90,000				\$86,000	\$88,000	\$90,000				
Security Upgrades													
Lower Recycle Pond Lining and Maintenance SCWTP	\$86,000						\$86,000						
Filter Media Replacement HBWTP					\$283,000						\$283,000		
Facilities Painting								\$225,000					
Water Tank interior Structure Maintenance								\$320,000		\$75,000			
HBWTP Flash Mixer Replacement with VFD's													
Lower Pond Pump Station and VFD rehab			\$84,000						\$0				
Instrumentation upgrades for both facilities	\$52,000					\$41,000	\$0					\$0	
Vehicle & Equipment Replacement						\$35,000	\$69,000	\$7,000	\$8,000		\$80,000	\$41,000	
SCWTP Building Upgrades	\$523,000						\$523,000						
PRV Replacement							\$75,000						
Equipment Purchase for Solids Handling HBWTP - SCWTP				\$28,000						\$28,000			
Lucity Asset Management Software (25%)													
SCWTP Intake structure Evaluation				\$20,000						\$20,000			
HBWTP Recycle pump station and VFD Rehab					\$17,000						\$0		
Howard Diversion Completion/Upkeep													
Caustic Tank Upsize													
HBWTP HVAC Upgrades													
SCWTP Flash mixer impeller replacement													
Fire Hydrant Painting	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000	\$15,000	\$21,000	\$22,000	\$22,000	\$23,000	\$23,000	\$20,000	
System Water Loss Audit													
Watershed Protection Plan													
WQ real time system monitoring					\$408,000						\$408,000		
Louisville Pipeline Flow Control													
Meter replacement					\$754,000	\$773,000					\$754,000	\$773,000	
HBWTP Upgrades													
SCWTP Upgrades													
Raw Water Study								\$75,000	\$100,000				
SCWTP Drainage Improvements							\$226,000						
WTP Process Automation							\$135,000						
WTP Electrical Assessment								\$32,500					
Utility Leak Detector								\$8,000					
Total CIP After Inflation Adjustment	\$2,055,000	\$2,603,000	\$2,892,000	\$2,576,000	\$3,639,000	\$2,481,000	\$5,585,000	\$3,142,500	\$2,889,000	\$2,611,000	\$3,991,000	\$2,324,000	

City of Louisville - Wastewater Utility 2018 Rate Forecast CIP with Inflation							City of Louisville - Wastewater Utility Preliminary 2019-2024 Forecast CIP with Inflation						
Project	Forecast						Forecast						
	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024	
Wastewater Plant Upgrade													
Sewer Utility Line Replacement	\$390,000	\$400,000	\$410,000	\$420,000	\$430,000	\$441,000	\$308,000	\$289,000	\$350,000	\$442,000	\$283,000	\$493,000	
Sewer Utility Line Replacement - City Streets													
Reuse System Equipment Replacement		\$66,000			\$342,000			\$66,000			\$0		
Vehicle & Equipment Replacement	\$72,000	\$27,000		\$45,000			\$62,000	\$37,000		\$0		\$53,000	
Facilities Maintenance-Roof repairs etc.				\$45,000				\$75,000		\$45,000			
Equipment Service-Drum Thickener,Centrifuge,Blowers	\$32,000	\$232,000		\$28,000		\$41,000	\$32,000	\$275,000		\$28,000		\$41,000	
SCADA Upgrades					\$97,000						\$97,000		
WWTP Building Upgrade			\$17,000	\$828,000					\$76,000	\$753,000			
Local Limits Consulting and development													
Polymer Liquid Drum thick	\$26,000						\$26,000						
Lucity Asset Management Software (25%)													
Laboratory Grade Water DI Unit				\$9,000						\$9,000			
CTC Lift Station Controls													
Steel Ranch Lift Station													
Sanitary Sewer Maintenance Equipment	\$160,000						\$160,000						
WWTP Electrical Assessment								\$32,500					
WWTP Site Enhancements							\$450,000						
WWTP Vac Dump Station							\$160,000						
Total CIP After Inflation Adjustment	\$680,000	\$725,000	\$427,000	\$1,375,000	\$869,000	\$482,000	\$1,198,000	\$774,500	\$426,000	\$1,277,000	\$380,000	\$587,000	

City of Louisville - Stormwater Utility 2018 Rate Forecast CIP with Inflation							City of Louisville - Stormwater Utility Preliminary 2019-2024 Forecast CIP with Inflation						
Project	Forecast						Forecast						
	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024	
City-Wide Storm Sewer Outfall Improvements													
Storm Sewer Detention Pond Maintenance	\$113,000	\$116,000	\$119,000	\$122,000	\$125,000	\$128,000	\$122,000	\$128,000	\$135,000	\$166,000	\$146,000	\$158,000	
BNSF RR Underpass/N Drainage (63%)	\$323,000						\$323,000						
CCS Drainage													
Cottonwood Park Floodplain			\$270,000					\$270,000	\$0				
Goodhue Ditch Storm Water Diversion	\$80,000						\$80,000						
Lucity Asset Management Software (25%)													
Stormwater Quality Master Plan								\$106,000	\$162,000	\$166,000	\$170,000	\$174,000	
Total CIP After Inflation Adjustment	\$516,000	\$116,000	\$389,000	\$122,000	\$125,000	\$128,000	\$525,000	\$504,000	\$297,000	\$332,000	\$316,000	\$332,000	